FEBRUARY, 1957

Manage



- A NEW ELITE IN RUSSIA
- ORVILLE WRIGHT---GADGET MAKER
- INTERNATIONAL ATOM PLAN
- A TOP EXECUTIVE ... YOU?



ABRAHAM LINCOLN

Honest statesmanship
is the wise employment
of individual meanness
for the public good.

• ED

. BU

FEBRU

Mana they were uity,

A picture TH Betty

also a Suez daugh this n forum

MANA ASSO public Dayto office return Editor 1957 b foreign

MANAGE



EDITOR: Dean Sims

MANAGING EDITOR: W. W. Keifer
FEATURE EDITOR: James Berns

● EDUCATION DIRECTOR: William Levy ● ASSISTANT: Norman George

• WASHINGTON CORRESPONDENT: Stewart French

• RUSINESS EDITOR: William Freeman

• BUSINESS & CIRCULATION MANAGER; L. E. Nangle

IN THIS ISSUE

FEBRUARY, 1957 Vol. 9, No. 5

COVER STORY: After B. F. (Sandy) Coggan, San Diego division manager of Convair, addressed the Kansas City-TWA

Management Club in October, the hosts presented him with a big brass tray they had had flown in from India. In the presentation ceremony, there were some good-humored remarks that "with Convair's aeronautical ingenuity, maybe you can make this tray into a flying saucer." Sandy just laughed.

A few days after Sandy returned home, Convair public relations issued the picture now on the cover of MANAGE.

THIS MONTH: Vernon Louviere writes about phony stock dealers . . . Betty Dietz relates how Orville Wright, co-inventor of the airplane, was also a do-it-yourself genius at home . . . "Washington Report" tells how the Suez trouble affects Britain, France and the U.S. . . . marrying the boss's daughter isn't what it used to be, according to Phil Hirsch, page 10 . . . and this month MANAGE begins a new section, "Letters to the Editor"—an open forum where readers may air their views . . .

MANAGE is published monthly on the 25th by THE NATIONAL MANAGEMENT ASSOCIATION (formerly The National Association of Foremen) as its only official publication. Entered as second-class matter September 9, 1952, at the post office in Dayton, Ohio, under the Act of March 3, 1879. Printed in the U. S. A. Publication office 230 West Fifth Street, Dayton 2, Ohio. All address changes and publications returned under postal regulation 3579 should be sent to editorial offices in Dayton. Editorial and executive offices: 321 West First Street, Dayton 2, Ohio. Copyright 1967 by The National Management Association. Subscription rates: annual U. S., \$3.00; foreign, \$5.00; single copy, 30 cents. Bulk subscription rates upon request.



19

qu

org

bil

the

bei

7

wit

Col

in 1

by a

thei Wo

sent to b

adve of e

C

adve

com

senta

W

Le

beca

ASSOCIATIONS ARE BASED ON GIVING

What is an association?

My dictionary says it is: "An associating or state of being associated; confederation; fellowship; or a body of persons organized for some common purpose. . . . "

Too frequently we who belong to associations put our own personal interpretations on their functions, without considering them as the organizations they are meant to be. We are inclined to look upon their function as one of serving that purpose which is most meaningful to us, without regard for either the basic reason for the association existing or the group's responsibilities to others than ourselves.

Probably the most common misconception of association function is the one where people join believing the only responsibility involved is that of the association to them, that responsibility being one of providing service.

Actually there are two responsibilities involved: First, there is the member's responsibility of contributing to the central reservoir of information based on experience in the common field of interest; second, there is the responsibility of the central agency of the association for distributing this information to all members.

In the truest sense, an association is simply a group of people with similar interests coming together to share experiences. The association is the medium by which participants give as well as receive.

The average working man and woman is aided by dozens of informal association meetings every day. When you converse on the job, that is an association. When you have lunch with the boss, that also is association.

When the size of the simplest form of association group is expanded to one so large that no individual members have the time or particular skills required to co-ordinate its activities, then the association establishes a head-quarters with specialized staff to perform these duties.

It is important that association members have a clear understanding of the function of the headquarters organization. It is just as necessary for the

ia

so-

zed

in-

izaion

ıp's

the

t of

rice.

em-

tion

the

this

with

tion

rmal

that

asso-

d to

kills

read-

g of

headquarters people to realize that their authority is that which is specifically delegated by the members through the elected representatives.

This relationship is vital and it is sensitive. The larger the association grows and the more activities it sponsors, the greater this sensitivity becomes. The primary function of the association would be limited by members requiring that the staff become an on-call service group of specialists. The organization would cease to be an association when elected representatives of the members ceased to give leadership and to delegate specific responsibilities to its headquarters staff. Should either of those situations occur, the organization ceases to be an association and becomes a group of clients being serviced by a staff of consultants.

The true function of an association is to enable people interested in the same particular field to give and to share information, and it is not to receive only.



SOBERING ADVERTISER RESPONSIBILITY

Two tremendously good American institutions passed from the scene with the financial collapse of COLLIER'S magazine and the WOMAN'S HOME COMPANION, leaving fewer bigger magazines. COLLIER'S was established in 1888 and the COMPANION had been published since 1873.

Belated moral responsibility for the passing of the publications was voiced by a few advertising agencies and advertisers who had persisted in spending their money with other magazines, although readership of COLLIER's and WOMAN'S HOME COMPANION soared. In the past year, advertisers, represented by horn-rimmed Madison Avenue experts, have pushed and shoved to buy space in a few large magazines, disregarding the fact that too much advertising was making the publications more like catalogs than magazines of entertainment and information.

Considering first that advertisers are in a highly competitive business and advertise primarily to get people to buy their products instead of their competitors', what moral responsibility should an advertiser (and its representative, the agency) have toward such institutions as these two magazines?

Where does business principle end and moral responsibility begin?

Leaders in American industry should adjust their thinking on the subject because it will be with us more and more in the future.

DearSims



Washington Report . . .

... for supervisors

by Stewart French

This column, somewhat like the Administration itself, has tried to duck the Suez Canal crisis. One reason is that we-the column, that is-keep hoping that some of the more pressing problems, as they affect the foreign relations of America, will be solved between the writing and the printing.

Furthermore, this column is devoted to the more immediate interests of supervisors, as such, rather than speculations in the realm of international politics.

However, there are a couple of little footnotes to the goings-on with respect to the "Ditch in the Desert " that may have an on-the-job impact for some of us. One is the distinct possibility of further increases in the price of gasoline and heating oil. It's the old law of supply and demand, since a part of our domestic production normally available for local consumption will be going overseas. Also, the several hundreds of thousands of barrels daily, that were imported from the Middle East for our own East Coast consumption, have of course been cut off.

Happily, as of this writing, rationing here does not appear to be in the cards.

But the oil pinch in Europe resulting from the blockade of the Canal and destruction of pipelines is having its effect on American automobile manu-

ay rat car rat \$28

195

fa pa of la mai

old the

> bee Wor wor Mot

an o Ame cour from

is r

a ma That Stat

prox

coll tria clos Aver was : annu

excl

facturing. Reports of the State and Commerce Departments reveal that not only are European plants of U. S. car makers curtailing production and laying off workers, but also that exports of cars manufactured in the United States have been sharply cut.

In France, where 3,000 to 4,000 American cars a year are sold, the twin pressures are gasoline rationing and the new auto-use tax. A big U. S. car gets only about 80 miles a month on the normal ration and the use-tax is about the equivalent of \$280 yearly on American cars less than two years old.

For French cars, which have less horsepower, the tax runs between \$17 and \$42 annually.

In Great Britain, Ford Motor Co., Ltd., has been on a short work week for the first time since World War II. So, too, with most of the 12,000 workers at the General Motors-controlled Vauxhall Motors plants.

The situation is much the same in other European countries, many of whom export locally-produced American cars to Egypt and other Near and Mid-East countries. This export market in American cars from Europe likewise is cut off by the Suez crisis.

To paraphrase Kipling, West of Suez the worst is not at all like the best.

"THINGS IS TOUGH ALL OVER"

The largest employer in the country is feeling a manpower pinch and having personnel problems. That employer is the government of the United States.

Last year, average federal employment was approximately 2,046,000 men and women, both white collar and blue collar. The largest private industrial employer, General Motors, doesn't even come close. G. M. has only 600,000 plus on the pay roll. Average government worker (federal, that is) pay was some \$4,416 in 1955. Roughly, this means an annual Federal pay roll of \$9 billion, 33 million, exclusive of the Armed Forces, where they can make

you get three meals a day and give you shoes to wear whether you want them or not. This reporter learned that the hard way.

Now the Civil Service Commission and personnel officers in the various Executive departments are crying the blues, so to speak. They can't get personnel, adequately trained or educated.

The all-time high in employment in private industry is the reason. Not only is private industry offering more and more jobs; they're likely to be better jobs, both as to present and potential pay, and as to fringe benefits. Also, private industry is offering greater and greater job security as GAW (guaranteed annual wage) and SUB (supplementary unemployment benefits) programs develop.

However, government pay, except in the top brackets, isn't so bad; raises, up to a grade ceiling are more or less automatic; and some fringe benefits in the way of vacations, sick leave, and retirement (to which the employee contributes, substantially) are pretty good.

But in its recruiting techniques, private industry is far out ahead; it's comparable to the way a big-time football school can lure bright high school prospects from smaller academic institutions. Take, for example, the hiring of engineers and scientists.

A government personnel officer cannot go up to a member of a graduating class and offer him a job, at so much, and with his way paid to his possible place of employment for a look-see, as is standard operating procedure with private industry. Instead, all the government officer can do is offer the prospect an opportunity to take a competitive examination, and, if the job is a "sensitive" one, to submit himself to a long and sometimes awkward security inquiry, in which his friends and neighbors will be asked intimate questions about his personal life.

This matter of personnel shortages in government is receiving careful study, and it's almost certain that Congress will be asked to do something about it in the way of a general pay raise (but

for

wh

th

su

CF

Con

has alc Ble pow

con

ind ind the ble des

fund with

pose Hilb Depa cent tive quir bush

production problem in the state of the state

when you talk in terms of 2 million plus persons, that runs into money), in increased fringe benefits, such as health insurance, and in streamlined recruitment procedures.

One place there's no personnel shortage is in Congress itself. There are plenty of people looking for the jobs of the Senators and Congressmen.

"ALKY-GAS"

S.

0

d,

0

1

ng

The Suez threat to the balance in oil markets has given new push also to research in the use of alcohol—made from surplus grain—as a motor fuel. Blended with gasoline, alcohol increases engine power, making the gasoline go further.

Last year in the 84th Congress, legislation was considered which would have made some \$100 million in federal funds available for research in finding industrial uses for surplus farm products. Among the foremost of such uses was the manufacture and blending of alcohol. However, that program was designed primarily as a farmer-relief measure.

This year, however, legislation authorizing funds for similar research is under consideration with the added impetus of possible oil shortages and their alleviation by "stretching" the gasoline.

Key factor leading to the shelving of the proposed legislation last year was the cost. G. E. Hilbert, director of utilization research in the Department of Agriculture, testified that a 10 per cent blend of alcohol with petroleum, to be competitive with gasoline made from petroleum, would require corn or wheat selling at from 30c to 45c a bushel.

"We know now," the federal expert told the Senators, "that there is no technical problem in producing power alcohol from grain, and no technical problem in using it as a liquid fuel. We know, also, that the use of grains for the production of power alcohol literally would burn up any conceivable surpluses we could have in this country. The key problem in this whole matter is the economic one."

become a TOP



by PHIL HIRSCH

What are your chances of climbing to the top, of earning a five-figure or more income and occupying a plush private office in, say, 10 to 15 years from now? Can you succeed on merit alone, or do you have to be the boss's son or marry the vice president's daughter? How important is education? What sort of personal qualifications do you need?

Recently, two University of Chicago sociologists, W. Lloyd Warner and James C. Abegglen, came up with the answers to these questions, after making a painstaking study of executives who have already reached the top. The U of C researchers studied the careers of more than 8,000 top management officials who guide the destinies of firms large and small in every major industry. Their conclusions probably will surprise you.

Most surprising finding, perhaps,

is that today, there is more room at the top for the man of modest means and background. Says Dr. Warner: "The chances of the laborer's son winding up as chairman of the board, or vice-president in charge of production, are greater now than ever before."

In 1928, two Harvard sociologists and economists, F. W. Taussig and C. S. Jocelyn, made a similar survey of executive careers and found that 51 per cent of the country's top business brass were sons of company owners or top company officials. "It is entirely possible," wrote Taussig and Jocelyn, "that by the middle of the century more than two-thirds of the successful businessmen in the country will be recruited from the sons of business owners (large and and business executives (major and minor)."

This prediction, says Warner and Abegglen, turned out to be wrong; in fact, the exact opposite has been father men incre of C ber of these creas cent.

If for the true of true of true of the true of the true of tru

facto

termi

1957

happ boss inste

The cation fication conclusions of the execution decession of the execution decession of the execution decession of the execution decession of the execution of

In

found of the to col ates, a an in withound indust have univer

ts

ıd

ly

It

of

of

ne

ne

nd

es

ıd

happening. Today, there are fewer bosses' sons in executive positions, instead of more. Meanwhile, the percentage of top officials whose fathers were laborers, clerks, salesmen, and farmers, has been steadily increasing. Since 1928, the two U of C sociologists estimate, the number of business leaders coming from these and similar groups has increased by approximately 10 per cent.

If there is more opportunity today for the man willing to work his way up from the bottom, what are the factors that play a key role in determining whether he succeeds? The report on the study comments: "Because the one measurable characteristic shared to the highest degree by all of today's executives is the amount of their education, it would seem that the executive is now a member of a professional class which insists upon adequate formal training. Education is the royal road to power in American business and industry."

What else do you need, besides a good education? The two U of C sociologists found that modern executives have a number of personal traits in common. They are able to grasp the essential elements of a new

MARRYING THE BOSS'S DAUGHTER ISN'T WHAT IT USED TO BE . . .

The study found that a good education is the most important qualification. "The most startling single conclusion of our survey is the increase in the educational attainments of the men who are today's top executives, compared with their predecessors," reports Warner.

In 1928, Taussig and Jocelyn found that only about 40 per cent of the nation's executives had been to college, 30 per cent were graduates, and 10 per cent had attended an institution of higher learning without finishing. The U of C study found that today, 80 per cent of industry's top management either have degrees or a partial college-university education.

situation or problem quickly and resolve them into a practical solution. They work hard—are not afraid to devote extra time and effort to a job—because they are completely convinced that the investment will benefit them, as well as the company. Rather significantly, today's typical executive is not basically what intelligence tests would call brilliant; on the other hand, he has intelligence which is above average.

Does it help to marry into the boss's family? Not particularly, according to the study. It was found that, in the great majority of cases, the son-in-law of a company owner or executive needs just as much time to make the top management team

1957

as other employees without any personal ties with the front office.

Another rather surprising conclusion: the study found that big companies (those whose gross volume is over \$250 million a year) tend to have more opportunity for today's Horatio Algers than smaller firms. The larger enterprises have a smaller percentage of executives whose fathers or grandfathers managed the business.

How long should it take to climb the ladder of success and enjoy the income and prestige that go with a top management job? The U of C researchers found that today's typical executive entered business just before his 22nd birthday and became associated with his present firm some seven years later. Within five years, he had been promoted into a job on the low or middle management level. Within 15 years, he was sitting in a private office with his name on the door, directing company affairs at the highest level.

"These findings indicate that more men of ability, high skill and professional training are getting into important jobs," the report of the study concludes. This statement should encourage a lot of workers now holding down production and general office jobs across the country. For it means that now, more than ever before, they have a good chance of reaching the top on their own merits.

Mystery of Malik

In London the other day Soviet Ambassador Jacob Malik turned up at a world trade dinner with his right hand, if a Churchillian figure be permitted, "wrapped in a mystery inside an enigma." Characteristically, Malik made no explanation of the heavily bandaged mitt. Members of the embassy staff, when queried by newsmen, were uncommunicative.

Maybe the mystery is soluble in spite of official coyness. If Malik doesn't see fit to tell what happened, it is possible to go to Pravda, Radio Moscow and the General Assembly of the United Nations for some pretty hot leads. Through these media the Russians have been busy accusing America of fomenting revolt in Hungary, England and France of plotting an attack on Jordan, and Iraq of getting ready to jump Syria.

The Soviet world is so innocently on the defensive these days, to judge from its propaganda outlets, that it becomes fairly safe to speculate on the cause of Mr. Malik's bunged-up digits. No doubt a door flew open and hit him, a floor rose up and conked him or, in a friendly contretemps over vodka, the third secretary of the embassy lashed out at him with his chin.

-From the Dayton (Ohio) Daily News, Nov. 30, 1956 a

e i-

g e

15

e,

at be y,

ot ca

ge he nd er in.

56



"Please Murphy, no more like, 'Sugar coating the salt tablets.'"



CHANCES are that you would not invest your hard-earned money in a company that claims it is manufacturing an "atomic water-treating machine" capable of curing cancer, arthritis, low and high blood pressure and a few other dread diseases.

You wouldn't—but a lot of people did before the Transported less addition this

You wouldn't—but a lot of people did before the Texas swindler peddling this phony stock was finally nabbed and put behind bars.

Americans are making more money than ever before in history and it is only natural that they want to take a "flyer" on an investment, especially if the returns look at all promising. No one knows this better than the unscrupulous stock promoter who has a scheme tailor-made for every sucker.

Thanks to one of Uncle Sam's alphabet soup agencies—the Securities and Exchange Commission—the stock swindler is fin cult to Amer get-ri prey, fraud

1957

proteing of and significant concessure raise ly an note, is no pastin ercise ual in

"No

his ov

man it.

Nev cerned investi misrep But in from they wo often

"stocka

become earth's prising chaser-flowing uranium

n-

e"

W

er

lid

nis

ut

ev

nly

er"

ns

WS

ck

ide

bet

Ex-

ller

is finding it increasingly more difficult to peddle his wares. But gullible Americans, anxious to grab at any get-rich-quick gimmick, are still easy prey, and the annual take from stock frauds runs into the millions.

The SEC—established in 1934 to protect investors from the freewheeling operations of crooked promoters and swindling securities salesmen—is concerned primarily with making sure that the businesses trying to raise capital are doing so legitimately and legally. It is important to note, however, that the commission is not out to prevent the popular pastime of speculation, or the exercise of poor judgment by individual investors.

"No law can protect a man against his own folly," is the way SEC Chairman J. Sinclair Armstrong explains it.

Nevertheless, SEC is deeply concerned about stopping losses to the investing public caused by fraud and misrepresentation in securities sales. But no law can stop these people from parting with their money if they want to believe in the glib and often fantastic promises of the "stockateer."

In a land where men sometimes become rich overnight by tapping the earth's vast resources, it is not surprising that the unwary stock purchaser—eager to own a piece of a flowing oil well or a promising uranium mine, for example—sooner or later is an easy mark for the swindler.

Here is where the "fantastic big lie technique" comes in; that's what the SEC people call it, and their description is not exaggerated. Finding his sucker, the stockateer lets go with both barrels. Don't make a reasonable claim, make a fantastic claim. Oddly enough, perhaps, the more fantastic the sales pitch, the more vulnerable and gullible the victim.

SEC files bulge with example after example of how successfully this technique works. Successfully, that is, until the swindler gets caught, and that doesn't usually happen till he has bilked many a hapless victim.

Consider the shady promoter who introduces a religious aura in his nefarious operations in order to impress the potential sucker with his piety and integrity. Not long ago two confidence men were convicted for a securities fraud in connection with a large-scale oil promotion conducted by mail out of Fort Worth, Texas. Convicted, that is, after milking almost \$1,000,000 from their innocent victims. They told investors they had discovered the world's greatest undrilled oil field, a field even bigger than the colossal oil deposits of the Near East. Even the ground around their well, they said, was "an oilsodden mass." And to these extravagant claims they added this prayerful statement: "Again thanks to Him from Whom all the joyful things

of the earth flow forth; a Divine Guidance without which this exceedingly great joy could not now be ours."

The "atomic water-treating machine," by the way, was also the brain child of a Texas promoter. And if that didn't appeal to his investors, he was quick to suggest that stock be purchased in a second company which had perfected a fuel-less, selfenergizing power unit. In other words, a perpetual motion machine. When SEC investigators moved in, they found a "perpetual motion" unit that consisted only of a small metal cabinet and a Mazda sun lamp whose rays penetrated a piece of colored church glass which supposedly had been blessed. Here was one of the most notorious confidence men in the securities field, yet his victims were hostile to investigators because they apparently had been influenced by his pretensions as a scientific, medical and religious leader.

One promoter announced in his prospectus that he was associated with a large oil company in the "field of finance and collections." Yes, he was telling the truth—up to a point. The SEC called this false and misleading information because the gentleman had neglected to say he was only a filling station operator.

And there is the case of the promotional mining company which claimed in its offering circular that on the basis of estimates by a professional driller, it had 30 million tons of proven ore and 200 million tons of probable ore. It was true that the ore estimates had been made by a professional driller, but his drilling experience was acquired as a dentist. The commission's mining engineer checked 65 samples taken from the promoter's properties and found no significant ore deposits.

The "big lie" technique is being used with immense success by a ring of "boiler-rooms" which recently began large scale operations in New York City. In the vernacular of the securities industry, a boiler-room refers to an organization employing high pressure and dishonest tactics to sell securities through long distance telephone calls. It gets its name from the clatter of numerous telephones which resemble the noise made by an old-fashioned boiler.

This will give an idea. SEC raided six of the boiler-rooms and found they had sold 9,000,000 shares of highly speculative stock-mostly Canadian oil-to approximately 24,-000 people throughout the United States by telephone over periods ranging from one to eight months. These six houses took in over \$30,-000,000 on which they realized a gross profit of almost \$4,500,000. The phone bill: more than \$425,000. SEC checked the securities and learned that the average investor suffered a loss of about 50 per cent on his investment.

The commission is far from finished with the boiler-rooms and

over toot have than Act offic tion vesto pros Mos by t such ging

circu

tists

the j

195

has

A swin eratio of al ready work you i and I check yours your : ful in sary t becaus readv profits not y your s divide

pert

ıt

g

er

e

e-

W

ne

e-

ng

CS.

S-

ts

us

se

ed

nd

of

rly

4,-

ed

ds

hs.

0,-

00.

00.

nd

af-

on

m

nd

has a task force of lawyers, accountants and investigators going over their operations with a finetooth comb. Already, injunctions have been obtained against more than 20 broker-dealers for Securities Act violations. And SEC regional offices around the country are questioning thousands of defrauded investors in order to expedite criminal prosecution of these stock promoters. Most salesmen in these boiler-rooms. by the way, have police records for such offenses as narcotics, bootlegging and gambling. And there is a goodly number of carnival pitchmen, circus barkers and assorted fraud artists whose backgrounds fit them for the job.

A favorite scheme of many stock swindlers is the so-called Ponzi operation which involves the payment of alleged profits out of capital already contributed by their victims. It works very simply. For example, you invest \$200 in a certain security and before too long you receive a check for \$25. Not bad, you say to yourself. And you reach down into your savings to increase this wonderful investment. It isn't really necessary to make this gesture voluntarily because Mr. Swindler is already there, ready with his pitch. But there the profits end. And more often than not you suddenly wake up to find your stock is worthless and the big dividend as phony as the stock. Expert confidence men are seldom

satisfied until they have depleted their dupes of every dollar they own.

The unprincipled securities salesmen concentrate on the uninformed individual investor who believes he can make a fortune overnight simply by picking the right stock. The victim seldom asks: "How much income will I receive from this investment?" But rather he inquires: "Are you sure it will go up?"

In many cases the victim is urged to invest promptly so that he can double or even treble his investment within a few weeks or months.

While the SEC cannot protect the unwise investor from his own folly, it does try to encourage the investor to protect himself. For more than a year the commission has engaged in a broad program of public education, warning investors to beware of crooked promoters. Here is the SEC's 10-point guide to help you exercise caution in buying securities:

ONE-Think before buying.

TWO—Deal only with a securities firm which you know.

THREE—Be skeptical of securities offered on the telephone from any firm or salesman you do not know.

FOUR—Guard against all high pressure sales.

FIVE—Beware of promises of quick, spectacular rises.

SIX—Be sure you understand the risk of loss as well as the prospect of gain.

SEVEN—Get the facts—do not buy on tips or rumors.

EIGHT—Request the person offering securities over the phone to mail you written information about the corporation, its operations, net profit, management, financial position and future prospects. Save all such information for future reference.

NINE—If you do not understand the written information, consult a person who does.

TEN—Give at least as much thought when purchasing securities as you would when acquiring any valuable property.

Word Changes

In this quiz, the only rule is that you can change only *one* letter when forming the new word. Thus to turn a favor into a kind of footgear you have: boon, boot. Answers on page 30.

- 1. Change part of a sole into a gift.
- 2. Change to indite into commonplace.
- 3. Change a baby's toy into cows.
- 4. Change shiny into a disease.
- 5. Change a leaf into a plant.
- 6. Change a sewer into cereal.
- 7. Change to stir into to wind up.
- 8. Change a chair into warmth.
- 9. Change to bathe into to build a base.
- 10. Change a heavenly body into a bird.
- 11. Change spherical into fastened.
- 12. Change to confer into important.
- 13. Change to dent into a lock.
- 14. Change an angler's equipment into a clatter.
- 15. Change to ferret into a prize fight.
- 16. Change to lasso into to contend.
- 17. Change one who chisels into one who carries.
- 18. Change to extract into a hard worker.
- 19. Change to swank into to slide.
- 20. Change a part of the hand into to wait.

"It co



"It connects with the executive delegate to the executive committee of the executive board of executive vice-presidents."

A Plan for the Development of International Atomic Energy Under the Leadership Of American Industry

By John J. Hopkins Chairman and President General Dynamics Corp.

A must be, vitally concerned not only with specific industrial problems of our own economy but also with broad economic problems besetting the entire world. For all men and all nations are now more closely interrelated than ever before.

Electronic communication, supersonic flight, limitless atomic power and atomic radiation are challenging traditional political concepts, expanding the economies of nations, opening up vast new markets for astounding new products, and so preparing the way for world-wide and revolutionary social, economic and political change. These oncoming changes and our consequent urgent need to keep fluid in order to master them, impress me constantly with the truth of Spengler's vivid phrase, "rigidity is death."

It is evident that the American industrial economy is the most powerful political factor in the world today. It is the potent source of our military strength, our high standard of living, our physical well-being. But with the advent of the atom, many of the basic processes which support and motivate our industrial mechanism are in imminent danger of obsolescence.

We are now dimly beginning to realize that under the impact of the

This article was prepared from a talk by Mr. Hopkins before the 59th Annual Congress of American Industry of the National Association of Manufacturers.

atom
the
year:
muta
space
ing a
The
moul

econo dustr dead. dustr for m

It read

passed

tion (

into

such increase Union atom policy prefer If we energy ards only univecogn create

our pr

our

iid

me

ng-

b."

can

OSt

rld

our

ard

ng.

om,

ich

rial

ger

to

the

th

of

atom the old mathematical standards. the laws of physics which in earlier years we were taught to think immutable, the established concepts of space, time and dimension, are faulting and folding-and forming again. The atomic revolution is already moulding our world, and if we are not fluid enough to pour ourselves into the changing shape of economic things to come, we are-as a major economic power, as the world's industrial leader-through, done for, dead. And dead and done for industrially also means dead and done for militarily.

It is profoundly disquieting to read that our Soviet rival has already passed us in the industrial application of atomic energy. I hope that such reports are inaccurate, but it is increasingly evident that the Soviet Union intends to use the *industrial* atom as an instrument of foreign policy along with—and perhaps in preference to—the *military* atom.

If we do not use industrial atomic energy to increase the living standards of underdeveloped and politically unstable nations, if we fail to recognize that by so doing we can create vast new world markets for our products, if we are slow to accept the economic, social and political changes the industrial atom is bringing about—we shall have doomed ourselves to an inferior competitive position, very much second to the Soviet Union and even to Communist China with its unlimited cheap labor.

Nations which are poor in natural resources, nations whose resources are poorly distributed with reference to their population centers, nations now emotionally and politically unstable, could become our industrial equals and unfriendly competitors through the use of atomic power reactors donated by Soviet Russia.

The time has come, it seems to me, when American industrialists must coalesce international policies and international programs into international actions.

The energy and ability which has built the American industrial civilization—the American standard of living—must now be turned to those "have not" nations of today which want so desperately and deserve so thoroughly to become the "will get" nations of tomorrow.

Since the inception of the Industrial Revolution in Europe and North America and the consequent rise of living standards in the West, the peoples of the Asiatic, African, and South American continents have been exposed in varying degrees to the new society based upon machine technology. At first, their countries were looked upon as sources of raw materials and markets for finished goods by the rapidly expanding and competitive nations of western Europe and North America. In many instances they were the recipients of European or American capital which brought about partial industrial development, usually in the form of im-

195

brou

of t

Brit

Net

upsu

tion

ers

seizi

obvi

mass fashi

blam on 1

West

tions

emot

suited

of th

to co

in Cl

ample

in th

are s

yoke,

deed.

and i

pressu

not te

not in

be e

disastr

need f

lions,

liabilit

out. I

cious (

our sec

ignore

It r

F

proved transportation, or in the extractive industries such as mining, or the limited processing of raw materials.

This aspect of nineteenth century imperialism, closely linked as it was with world politics and the specious doctrine of the white man's burden, succeeded, among other achievements of dubious value, in generating the profound repugnance and emotional animosity toward the West which is our heritage today. Yet, for all the abuses by the imperialists, and there were many, they were not the prime movers, but only the expeditors of the inevitable. Sooner later, the agrarian cultures of the world would have begun to clamor for the higher living standards so attractively displayed in the show windows of the West. Had there been no imperial interlude, we would be surrounded still by hungry people anxious to emulate our ways, and frustrated perpetually by the extreme pressures of their partially agrarian, partially industrial economies.

To say the best of ourselves, it is probable that the cumulative effects of the brand of "enlightened imperialism" such as professed and practiced by us in the Philippines—and by the British in later years in India—accomplished a great deal of useful work in planting the seeds of a future industrial economy.

Apart from imperialism, however, certain socio-economic factors are responsible in large part for the desperate shortages of power, food, water, shelter, clothing which now characterize the agrarian nations.

First, exposure to Western civilization taught the leading classes in these nations that the cheap power of the industrial city automatically raises living standards over agrarian levels. And over the years there has been diffused to all classes the conviction that a Western-type standard of living can be achieved only by a Western-type industrialization.

Second, the improved health standards of partial or incomplete industrialization have induced explosive increases in population with stagnant economies basically unaltered in cultural pattern, and without commensurate increases of food supplies.

The result is that in typical underdeveloped countries there is never a sufficient capital or manpower surplus to achieve complete industrialization with its more static population and more dynamic nutritional curves. Not only do many underdeveloped nations lack any but the most primitive forms of mechanical power but—due to poor nutrition they lack even effective muscle power.

Third, many of the underdeveloped nations possess valuable mineral resources which, because of insufficient capital and untrained and inadequate labor, remain idle while multitudes living above and around these resources are constantly on the edge of starvation.

1,

1-

n

er

lv

m

98

n-

rd

2

d-

15-

ve

ınt

ul-

en-

er-

r a

H-

ali-

ıla-

nal

ler-

the

ical

n-

scle

ped

re-

ient

uate

ades

re-

e of

Finally, World War II, which brought about a general weakening of the great colonial powers such as Britain, France, Belgium and the Netherlands, permitted a galvanic upsurge of native idealism and nationalism. High-minded native leaders vied with the unscrupulous in seizing the opportunity to exploit the obvious restlessness of the native masses. They often, in the well-worn fashion of totalitarian dictators, blamed the failure of their promises on that now traditional villain-Western imperialism. Such situations, surcharged with the heat of emotional nationalism, were well suited to the purposes and methods of the Soviet Union. We have only to consider recent and current events in China, Korea and Indo-China as ample evidence of their success. Yet in those "have not" nations which are still independent of the Soviet yoke, the same problems remain. Indeed, as each year goes by, exterior and interior political and economic pressures are being intensified. I need not tell you that if these pressures are not in some way relieved, there will be explosions-or implosions-of disastrous violence.

It may be said that we have no need for Asia's underprivileged millions, that they are an economic liability which we can well do without. Nothing could be more fallacious or so fraught with danger to our security and our way of life. To ignore the needs of these people is

not only inhuman but most uneconomic and impolitic. We must not and indeed cannot abandon them to become instruments of Soviet Russia's—or Communist China's—aggressive military and economic poli-

The world's economic and political life, like its organic life, the life of the sea, the forest and the prairie, is fundamentally a symbiotic relationship—a mutual interdependence, a mutuality of benefits as well as responsibilities. The American economy cannot be healthy and secure if the Asiatic, or African, or European, or South American economy is unhealthy and insecure.

Further, the world is uneasily poised between an economically dominant industrial society and a numerically dominant agrarian economy which is striving to become industrialized. If industrial civilization survives the current threat of world destruction, of thermo-nuclear terracide, agrarian nations with low living standards must aspire to industrialism. Therefore, it becomes a question of whether these peoples, and we ourselves in the long run, will enjoy industrial, economic and political freedom or whether they, and eventually we, succumb to Soviet industrial, economic and political tyranny. It is fallacious to assume that a conquering Soviet would keep a billion people in abject poverty. Although world Communism is certainly not motivated by moral considerations it is shrewdly aware that, given cheap power, today's underdeveloped areas and hungry populations could prove to be tomorrow's richest economic and political assets. I present for your contemplation these words of Mahatma Gandhi:

"To the millions who have to go without two meals a day the only acceptable form in which God dare appear is food."

The brilliant American geochemist, Harrison Brown, has written recently, "It seems likely that, given concerted efforts of both the underdeveloped areas and the industrialized regions of the world, the standards of living of the underprivileged two-thirds of humanity could be raised significantly in about 50 years, and standards of living characteristic of the industrialized West of today might be attained in an additional 50 years without resorting to totalitarian methods."

Thus, I am led to make the following proposal:

I propose that there be initiated forthwith—through concrete proposals by American industry to our Rederal Government—a 100-year program for the financing, construction, and implantation of atomic reactors in the power-short, food-short, water-short, life-short areas of the world. And that this be done by American private enterprise and the American Government working to-

gether with friendly national governments and their own private enterprise groups.

I propose the implantation now in underdeveloped nations of what might be termed atomic "seed" reactors—from which ever-widening ripples of agricultural, industrial, physiological and sociological benefits will spread.

Such "seed" reactors implanted by American industry and the American Government, working together, would encourage the development in these vastly populated nations of indigenous industrialization—resulting in the creation of a billion-customer market with a deep hunger for an American-type standard of living, and the gradually growing means to attain it.

This seeding of "have not" nations with suitable atomic reactor projects could be achieved within the next 25 years by a well-designed program to divert a very substantial part of present international economic aid from what has been an almost sterile, non-self-perpetuating "give-away" plan to what would be a "breeder-type" repayment plan. I believe that atomic reactors implanted in such areas would go to work at once to "grow" the real wealth out of which their costs could be paid back.

I do not represent to you that my associates and I have been able to much more than begin the study and analysis of basic data. Certain statistics, however, are thrown into signiligh mas to t struct Ir and the

195

ficai

peop tions abroa tured finan lion, dolla

ance

dollar rehabilion's 400 the sa econoceived dollar was for 46 m financeived dollar for the sa for the sa econoceived dollar was for the sa for t

I conthe premerged cannot dollar have though partial doing then whave a

V

T,

at

of

t-

S-

or

g,

ns

25

to

es-

om

n-

to

re-

nic

eas

w"

eir

my

and

tis-

zni-

ficant relief when examined in the light of a humanitarian program of massive atomic creation in contrast to the threat of massive atomic destruction.

In the last six years, between 1948 and 1954, due to the exigencies of the world situation, the American people, through the Foreign Operations Administration alone, have sent abroad—in the form of manufactured products, food supplies and financial credits—the sum of 26 billion, 298 million, 400 thousand dollars.

Of this vast sum, military assistance accounted for over 10 billion dollars and industrial and financial rehabilitation accounted for over 15 billion dollars. Europe received the lion's share of 22 billion, 214 million, 400 thousand dollars, with roughly the same ratios between military and economic aid. Latin America received but 83 million, 800 thousand dollars, of which 38 million dollars was for military assistance and nearly 46 million was for economic and financial aid.

I certainly would not quarrel with the policy that has dictated such emergency military expenditures. I cannot cavil at the Marshall Plan's dollar grants for economic aid which have been effective in Europe, though only temporarily so, and only partially effective in Asia. We were doing the best we knew how. But then we had only dollars. Now we have atoms.

Yet it is significant that over the seven-year period between 1945 and 1952, not quite six billion dollars, including military aid, went to Africa, the Near East, Far East and Pacific Ocean areas, with Japan and China alone receiving well over half of the benefits. If we stop to consider that this covers the period of the Communist conquest of China and the Korean War, when we were exporting large quantities of military supplies to these areas, it can readily be seen that except for Japan we have not set up any program of economic aid which could stimulate the industrialization of Asiatic "have not" nations. And we have just recently heard Mr. Yoshida suggest in Washington an economic aid program of some four billion dollars more to save Southeast Asia. Note that he was not requesting direct aid for Japan but aid for the preservation of the Japanese rice bowl on which the life of his country depends.

Our foreign aid program has been a short range one, dictated by necessity. It has heavily favored Europe over Asia, Africa and South America, and a sizable percentage of total outlays has been for military supplies. The types of non-military assistance have varied, but it is safe to generalize that most have aimed at propping the existing economy — to largely agrarian countries we sent agricultural machinery, seeds, fertilizers, and the like—in industrial na-

tions we have provided transportation and communications equipment, some heavy industrial components, and other manufactured materials of a similar nature.

Most thinking Americans would agree that if the billions spent thus far have purchased even a temporary security for the Free World, they were well worth the spending. And in some nations, notably Great Britain, Italy, France and West Germany, assistance was a dire necessity. But the basic problem of worldwide instability between industrial and agrarian economies remains. Nor can it be solved by conventional "dollar-stuffing," "stop-gap" means which, with the advent of atomic energy, have lost much of any previous effectiveness.

The only way out of the world's political, social and economic dilemma is to provide the power for agrarian nations to begin to industrialize, and for partially industrialized nations to industrialize completely.

I think we must now face up to the fact that in the Atomic Age, dollars per se are no longer power. In the Atomic Revolution now sweeping away the world's conventional military, economic and political concepts, the prime material power is the absolute power of atomic power.

Generally speaking, atomic reactors now being planned or built in the United States fall into four categories: the research reactor, the somewhat larger package reactor, the propulsion reactor for submarine or ship or aircraft, and the large stationary power reactor. The research reactor, as its name implies, is used primarily for experimental or educational purposes, though it does produce limited quantities of valuable radio isotope byproducts useful in industry, medicine and agriculture. Such a reactor is relatively inexpensive-ranging from several hundred thousand dollars to \$3,000,000 or so depending upon design as well as the amount of laboratory and other facilities required-and can be produced in quantity. To those nations which possess modest technical capacities and an ultimate ambition for larger, more complex installation, it would be invaluable as a training device, a source of radioisotopes and as the pioneer in paving the way for further nuclear power development.

Small power reactors which may cost from about \$1,000,000 to \$3,-000,000 could be particularly useful in bringing power to inaccessible sites, where valuable minerals exist, but where costs of bringing in fuel for conventional power plants would be prohibitive. They also could be used for setting up mountain top radio, TV, and radar warning networks; or for other military purposes. Small power reactors could also prove economically desirable in semi-industrialized nations which lack sufficient reserves of fossil fuels because they would provide nuclei of pow indi of r

195

plan vicin mor resp we pow enor

T

are num and prob devel techriforeigner

cost

state
of ro
watt
seem
of cost
a 10
cost i
tion,
requir
ties.
substa
of cor

Of in the might zation, tion p e

1-

1-

11

e.

1-

SO

ne il-

ed

ch

es

er.

ıld

ce.

he

If-

nav

3,-

ful

ble

ist,

uel

uld

be

top

net-

our-

uld

in

nich

uels

i of

power which would further develop industry, and also act as developers of nuclear technology.

Large stationary reactor-power plants with a power potential in the vicinity of 100,000 to 600,000 or more kilowatts are still primitive in respect to design and economics. But we know definitely that these huge power plants will be of ultimate, enormous value for all nations.

The three chief obstacles to constructing large atomic power plants are cost, feasible locations, and the number of highly skilled technicians and engineers required. A fourth problem to master is the satisfactory development of reactor breeding techniques, which is an ultimate goal but not necessarily a vital one for foreign nations at the present time.

It is difficult to specify the exact cost of each reactor in the changing state of today's technology. A cost of roughly \$250 per installed kilowatt of production capacity would seem to be a good achievable estimate of costs for a large power plant. Thus a 100,000 kilowatt reactor would cost roughly \$25,000,000. In addition, costs of like magnitude may be required for fuel reprocessing facilities. Such costs, however, could be substantially modified by a number of complex variables.

Of the principal "have not" areas in the world to which nuclear power might bring a new industrial civilization, Asia has the largest population potential, is the most underdeveloped, has the most diversified problems and is the most explosively nationalistic. Asia is still the world's jewel but, as the poet John Masefield so prophetically pointed out many years ago, no longer for traditional reasons. The classical emerald-andruby wealth of the Arabian Nights—the "ivory, apes and peacocks" of the antique world—is of little economic value now.

The real wealth of Asia is locked under deserts, in mountains-and mainly in the billion people who hunger for food, for equality, and for all that is implied in the term "American standard of living." The key that will unlock the treasures of this fabulous continent-for its people and for the world-is atomic energy. They need energy that is relatively cheap; energy that is transportable; energy that is constant; atomic energy that will enable this area of the world to "leap-frog" the conventional fuel systems, the conventional communication systems, the conventional medical practices, the conventional agriculture of the centuries. They need energy that will propel not only Asia, but Africa, free Europe and Latin America into the twenty-first century.

I believe that we Americans, in our great tradition of free enterprise and democratic government, must grant to those free nations of the world who need it the boon of industrial atomic energy.

Test Your Word Sense

Here is a good way to test your vocabulary. Pick the best definition or use of the word, then turn to page 57 for the answer.

1—If you say a man is LOQUACIOUS, you mean he is:

a—drunk

c—talkative

a—arunk c—taikati b—wealthy d—angry

2—BOMBASTIC speakers at banquets are:

a—balls of fire c—long-winded b—bores d—pompous

3-When the writer said the battle was SANGUINARY, he meant:

a—of great extent c—bloodthirsty b—a tough fight d—a bad defeat

4—If two men appear INCONGRUOUS, they seem to be:

a—contradictory c—father and son b—two of a kind d—of the same race

5—If she gave him an OBLIQUE glance, it was:

a—affectionate c—sly b—slanting d—angry

6-A man of PERSPICACITY is:

a—shrewd c—educated

b—personally attractive d—narrow-minded

7-If an insult is GRATUITOUS, it is:

a—well-conceived c—publicly expressed b—groundless d—slanderous

8—If some one has a SALIENT feature, that feature is:

a—angular c—bandsome b—aristocratic d—conspicuous

9-An OMNIVOROUS reader of books is:

a—selective c—all-devouring

b—rapid d—casual 10—PHLEGMATIC foremen are always:

a—unemotional c—domineering
b—nervous d—crabbed

11-An OCTOGENARIAN is a person who is:

12-If a good deed is REQUITED, it is:

a—forgotten c—barmful to some one b—repaid d—unappreciated

-

shifted a base the vermore and country to be playing

Th we

on C

coole

head



THE president of International Doorknob, J. Thorton Grackle, shifted his bulk around and faced a bank of television monitors set in the wall of his private office. For a moment he played eeny, meeny, miney, mo, over the control panel and then pressed in succession Accounting, Shipping, Design, Grip Control and Gift Wrap. All seemed to be in order. Then, a faint smile playing about his lips, he switched on Channel 7, the employees' water cooler two floors below. The bald head of a third string bookkeeper

whose name he remembered vaguely as Brannigan or Flannigan came into view.

As Flannigan stood erect a racing form was visible projecting from his hip pocket. Grackle gave a cryptic grunt and made a note. A moment later Flannigan turned and nodded to a cohort who remained tantalizingly off camera.

"Where's old Fatso these days?" asked the disembodied voice. "I haven't seen him snooping around. Did he drop dead, I hope?"

"Dunno," said Flannigan, stepping

The author, Dick Ashbaugh, is one of America's best-known humorists. His writings have appeared in many leading magazines and recently his first book was published.

away from the cooler. "Here, be my guest." Two floors above Grackle waited grimly, pencil poised.

"No thanks," said the voice. "Just had coffee downstairs. If the old goat knew that, he'd really howl. Well, better scoot back to my web and get in a little loafing before lunch."

With his gaze fixed tensely on the monitor Grackle saw a bow tie swim into view followed by a series of blurs, and then a huge single eye centered on the screen. The eye's voice boomed from the speaker.

"Hey, Flannigan, dig this gadget sticking out of the wall. Looks like a camera lens."

Flannigan's voice came nearer and two eyes merged on the monitor. "It is a lens. Say, I just happened to think. There've been a lot of engineers running cable and stuff around here lately. Coaxial stuff."

"Coaxial stuff?" The eye blinked and then narrowed. "Wait'll I hang

my hat over this thing." Two floors above Grackle ground his teeth as the screen went blank, and then turned up the volume. "Flannigan," boomed the voice, "you might think I'm goofing off when I'm downstairs having coffee, but I read the papers. Here, have a look at this news item."

"Well, shellac my sconce," exclaimed Flannigan. "TV monitors."

"Exactly," said the voice. "Just the kind of slippery caper that would appeal to Fatso." There was the crunching of paper. "Well, our duty is plain, Flannigan. How many hats in your department?"

"Plenty," said Flannigan. "And I can always borrow bandannas from

the file clerks."

"Get 'em and meet me here in five minutes. I'll cover this floor and you take the next. Off to the races, boy."

Two floors above there was a curious silence and then the roaring and gnashing of teeth broke out as screen after screen went dead.

Many a live wire would be a dead one except for his connections.

"It's not the work I enjoy," said the cab driver, "it's the people I run into."

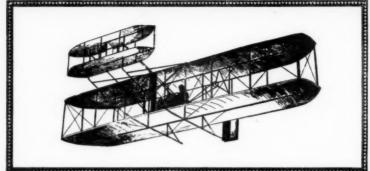
Here are the answers to the "Word Changes" game on page 18. 1—tap, tip. 2—write, trite. 3—rattle, cattle. 4—bright, blight. 5—page, sage. 6—drain, grain. 7—roil, coil. 8—seat, heat. 9—lave, pave. 10—moon, loon. 11—round, bound. 12—grant, grand. 13—mar, bar. 14—tackle, cackle. 15—rout, bout. 16—rope, cope. 17—carver, carter. 18—dredge, drudge. 19—boast, coast. 20—finger, linger.

ry rs he ed ed m irs rs. 1." Xs." ıst ıld he ity ats I om in nd es,

ing as



"Our messenger boy called in sick—how are you on a bicycle in heavy traffic?"



JUST MENTION O



RE YOU a clock-fixer, a do-it-A yourself addict? Does your wife seem distant when you suggest taking apart the asthmatic vacuum cleaner instead of calling a repairman? Do your fingers get itchy when the TV picture begins to flop?

Next time your Mr. Fix-It offers are ignored, try a little name-dropping. Mention Orville Wright.

Co-inventor of powered flight, the late Orville Wright was one of the world's great geniuses. He was a putterer, too-and a bachelor.

If there was a simpler way to do a household chore, the distinguished inventor tried to find it.

Shortly after the death of the famous man, relatives found a set of tools he had made to save time in removing the damask from the walls of his handsome home atop Hawthorne hill in Dayton, Ohio. Another implement, designed to prevent bruised fingers, was a forked. spatula-like piece of metal to hold tacks when putting on the wall covering.

Wright's study was a bookworm's Garden of Eden, from the standpoint of comfort. In the arms of his favorite chair he had recessed small metal cups to hold the legs of his mova

of t pock thum tache so he knees

Ne away, beate in hi The o a cov plane. unsigh housel showe gant t tarpau tect it

In dress groom small 1 The co-inventor
of powered flight was
a bachelor who developed
household devices
to save himself
from time-consuming
inconveniences

by Betty A. Dietz

ORVILLE WRIGHT

movable book rack. On the right side of the chair, he built a wooden pocket just big enough for his well-thumbed dictionary. A footstool, attached to the chair, was adjustable, so he could fit it snugly under his knees.

he

he

do

ed

he

of

in

ills

W-

n-

re-

ed,

old

all

m's

int

av-

nall

his

Never one to throw anything away, the inventor used a weather-beaten tarpaulin as a shower curtain in his huge, white-tiled bathroom. The canvas had originally served as a cover for the famous Kitty Hawk plane. Wright had resurrected the unsightly canvas when a devoted housekeeper replaced a worn-out shower curtain with one of an elegant turquoise fabric. He hung the tarpaulin behind the curtain to protect it from his careless splashes.

In one of the drawers of his dressing table the impeccably groomed bachelor had installed a small unpainted scalloped shelf from which he suspended his bottles of hair tonic and shaving lotion. (He mixed his own, by the way.) His sister's discarded cold cream jars were reinstated as containers for collar buttons and cuff links.

Like many another less gifted man, Orville Wright hated to call in plumbers and electricians if he could do the work himself. The motor which operated the huge water pump in the Wright home was a puzzle to everyone except the man who kept it working—Orville Wright.

The day the inventor suffered what was to be his final heart attack, he had dismantled the electric bell system that connected the doorbells with the kitchen. For months after Orville Wright died, callers at the silent, lonely house had to pound long and loud at the door.

The world's most famous putterer hadn't had time to finish the job.

In the Near Future, Soviet managers are likely to show up in this country for a close look at American plants. Similarly, American managers may be taking a look at Soviet enterprises. This is in keeping with the pattern of cultural exchange which now seems to mark a new phase in the cold war. Both East and West seem eager for such exchange, and it is certain that representatives of Soviet and American management will play prominent roles in it.

In the process of interchange, Soviet managers and their American tion is dramatically reversed. There, no significant production decisions are made by management independently. All are made by the state. All production directives are embodied in the state plan which flows from the top political managers down.

The plan, issued by the Presidium of the Supreme Soviet, prescribes for the manager such matters as the quantity, quality and type of production he will engage in, the amount of capital at his disposal, the expenditures he will make for plant and equipment, the number of workers he will employ and their

a new ELITE in RUSSIA

... industrial managers

by arthur s. barron

ro

of

CO

Da

su

ex

T

ci

In

OF

Sta

to

fie

m

ar

ex

hi

als

in

counterparts will discover that there is much similarity in their jobs. Certain features of management are common to any industrialized society, and significant areas of management function overlap in both the Soviet and American economies. In certain respects, the director of a Detroit plant would feel at home running things at the Gorki auto works in Moscow. In other respects, of course, he would feel painfully out of place.

The greatest difference between Soviet and American management lies in the area of production decision-making. In this country managers have virtual autonomy on most matters concerning production. In the Soviet Union, however, the situa-

wages, the amount and price of the raw material he will use, and the like.

Similarly, another area of decisionmaking wholly denied the Soviet manager is distribution and merchandising. The Soviet executive has little to say in these matters. A tractor manufacturer, for example, is told where his tractors will be sent, the dates of their delivery and their price.

Not all differences between Soviet and American management, however, result in greater freedom of decision for the latter. In some instances Soviet managers have greater autonomy. This is particularly true with respect to the labor force. In the U. S., labor plays a prominent role in the decision-making process of the industrial enterprise. Through collective bargaining, labor participates in the formulation of policy on such basic issues as pay, production tempo, benefits, working conditions and employee relations. Today, even such issues as company relocation often cannot be settled without prior consultation with the union.

In Russia, however, the manager exerts far greater control over labor. The Soviet executive can fire at will. He can transfer, upgrade and discipline his work force as he sees fit. In these matters he answers to no relatively speaking. The spread in income between a Soviet manager and a skilled worker is about thirty times as much as the similar differential in this country. Only top Communist Party bureaucrats and unusually successful members of the Soviet intelligentsia earn more than Soviet managers.

Again, members of Soviet management receive a number of "fringebenefits" not ordinarily given to their American counterparts. Soviet managers receive from the state a chauffeured automobile for themselves and family, servants, food, a



one. This power, of course, is based on the absence of a genuine trade union movement in the USSR. The state-controlled union's main job is to see that production quotas specified in the plan are fulfilled, rather than to bargain with management in the interest of the worker. In essence, Soviet labor unions are the "time and motion" study departments of Soviet firms. Union leaders are clearly subordinate to management, and this provides the Soviet executive with greater latitude than his American counterpart.

In certain respects, the rewards for success on the management job also seem to be somewhat greater in the USSR than in this country, summer "dasha" (villa), a rent-free city apartment, and the like. For managers who exceed their production quotas, special state bonuses are available. On their death, their families are provided with pensions at state expense.

The penalties for failure, however, are far more severe in the Soviet Union. Failure very often means imprisonment, and sometimes even death. At the least, unsuccessful managers are stripped of all rank and authority and are publicly hu-

Arthur S. Barron is Assistant Editor, Management Survey Division, Research Institute of America.

19

liv

ob

SP

SU

sh

ed

ra

(a

lig

du

fo

vi

ste

an

fu

ch

m

So

52

er

21

h

th

miliated. No counterpart of this exists, of course, in the West. Here, failure on the job is a personal matter; in the Soviet Union, it is a political crime.

THE "COMPANY MAN"

The matter of company loyalty is another major differentiating factor. American managers develop intense loyalties to their own firms. The expression "company man" sums up the deep sense of identification felt by American managers with their enterprises. In the Soviet Union, however, precisely the opposite is the case. By every means at its disposal, the Soviet state seeks to discourage managerial identification with the firm. The manager must place State needs above those of his own plant. If the State demands the shutdown of an operation in the plant and the workers moved elsewhere, the manager must comply. The sense of belonging which characterizes the attitudes of American managers toward their companies is a job satisfaction which Soviet managers are not permitted to experience.

SIGNIFICANCE OF PROFIT

Despite these differences, however, many similarities exist between the two management groups. Among both Soviet and American managers, profit serves as a major work motivation. The significance of profit in the thinking of Western management is readily appreciated.

That it figures prominently in Soviet thinking is less well understood.

Profit in the Soviet economy is of two types: planned and unplanned. The former is merely the planned value of sales minus planned costs of production. The latter is any excess over planned profit which is obtained through cost-cutting or extra production. The desire of Soviet managers to show an unplanned profit is readily understood, since they are allowed to keep a substantial proportion of it for themselves. The 20-odd per cent of unplanned profit which the Soviet manager can retain is a significant incentive.

Soviet and American managers are also similar in the degree of initiative and ingenuity which they must exercise in their tasks. It is a mistake to assume that the existence of a detailed economic plan stifles all management initiative in the USSR. In certain respects, it has enhanced it. To remain successful, Soviet executives must display considerable ingenuity to fulfill the plan.

This is because the plan is an imperfect instrument. It clearly defines the goals for the executive, but it fails to insure the means to meet these goals. The plan may specify that the director of a given plant employ so many workers, for example, but it may be up to the manager to find these workers. Again, the plan may stipulate that he receive so many tons of raw material, but the producer may not be able to de-

et

is

ed!

ts

K-

is

or

0-

d

e

1-

S.

d

n

e

11

liver on time and the director must obtain it himself. Or the plan may specify the production of a certain quantity of goods, but this may be suddenly revised upward because of shifts in political or military needs.

Scarcities and bottlenecks in the economy, gaps in statistical knowledge and planning know-how, and rapid shifts in political requirements (as when Malenkov, who favored light industry, was deposed by Khrushchev, who favored heavy industry), make it virtually impossible for the plan to anticipate and provide for all managerial actions. Instead, the manager must devise methods and procedures of his own.

The Soviet manager, for example, has to maneuver shrewdly to obtain an adequate labor supply. Recently, *Pravda* referred to a manager who attracted workers to his plant by furnishing the cafeteria with extra potatoes. These he managed to obtain from a collective farm in exchange for repair of the farm's machinery.

To obtain raw materials, some Soviet managers utilize the services of the so-called "pushers" who trade on the black market for the necessary goods. Not long ago, for example, a news story described a pusher who was labeling part of his firm's metallurgical products as scrap and bartering it as raw material with other firms in exchange for goods his own company needed. Again, there was the case of the manager

who was caught directing structural material, allocated by the plan for repairs, into actual production. Initiative like this, though it is extralegal, keeps the system going.

SIMILAR TRAINING PROGRAMS

Soviet and American managers are also increasingly similar in professional background and skills. Like their counterparts here, Soviet managers benefit from management training centers which emphasize engineering and technological training. Considerable attention is being devoted today to the mechanization and automation of Soviet industry, and the Soviet state is training managers in the new technical and professional skills. As in this country, the proportion of college-trained managers in the Soviet Union is rapidly increasing. Soviet managers are also showing a keen interest in Western techniques and display a readiness to borrow what is technologically useful from the West.

There is also evidence that Soviet executives are developing a managerial ideology, one which may temper somewhat traditional Communist ideology. Soviet society in the past has been characterized by the existence of three major power elites: the party, the secret police and the army. Recently, the power of the secret police was drastically curtailed and the position of the army correspondingly improved. In the course

of these shifts a new elite emerged. This is the managerial elite. It is comprised of Soviet managers, as well as of the leading members of Soviet technology, of the sciences and the arts.

The ideology of this group is conservative. It prizes the values of technical efficiency, stability, profitability and prosperity. It is opposed to military adventures, instability of government and terror. It demands (and is apparently receiving) greater freedom from Communist Party control, greater legality in Soviet life, and greater autonomy in economic affairs.

Whether the new managerial group will by its efforts modify Soviet society remains to be seen. One thing is certain, however. The USSR has reached a new stage in its development and has produced a management group comparable in background, skill and values to management groups in other advanced industrial nations. Unquestionably, the Soviet government will have to provide the kind of social environment which will enable the new managerial elite to do its job properly. If it does not, it may not achieve the greater economic power to which it aspires.

Reprinted from CHALLENGE, the Magazine of Economic Affairs, published by the Institute of Economic Affairs, New York University.

"We are told that last year Russia graduated twice as many engineers as our institutions of higher learning . . . We know that Russia is searching out talent and ability wherever it can be found, demanding educational effort to the highest level possible. Next to national defense, Russia is placing more resources into education than into any other public service.

"But we also know that higher education in Russia is not free. It is a tool of public policy. It is a plaything of the men in the Kremlin. It is an instrument to be utilized for purposes set by the few in the hope of controlling the destiny of millions.

"American higher education is free to set its goals within the content of a free society, free in the exploration of ideas, free in order to help keep men free."

-Dr. John D. Millett, President, Miami University; Nov. 27, 1956

The only freedom which deserves the name is that of pursuing our own good, in our own way, so long as we do not attempt to deprive others of theirs, or impede their efforts to obtain it.—J. S. Mill.



one R len-

al

kked ly, to

ew erve ch

ers ng nal is ce.

a is of

nt lp nt,

of

LETTERS



19

sig

in

the rec

con

pe

din

the

ma

suc

DIG

iso

the

an

pa

COL

for

sid

to

wi

gin

ma

at

thi

sta

for

and

one

To

vel

sm

nec

kne

wh

rus

A NEW CHALLENGE FOR THE ENGINEER

Sir:

In your November editorial on the engineer you have put your finger on the things that are worrying a great many management men that I have talked to, and I am taking the liberty to comment on the subject.

You are so right when you say that "Management groups need to moderately readjust their programing to give more consideration to professional engineers in management."

Everybody talks about the urgent need for Unity in Management, and occasionally somebody does something about it. Right now seems to be one of these times. The move is being made on several fronts.

Your editorial for November points the way for some constructive thinking, and I hope you will touch on various aspects of the subject from time to time.

Let me bring the problem a little closer to home. A general foreman from a large manufacturing plant in metropolitan Cleveland recently told me of a discussion he had with the plant's chief engineer. When my friend questioned some unnecessarily close limits on unimportant dimensions, the chief engineer almost blew his top and said, "Your business is production. My business is engineering. I suggest we both stick to our business."

A close association between foremen and engineers is both necessary and unavoidable, but this association need not be a planet-satellite relationship. We believe that an engineer has an obligation to serve not only his professional aspirations, but also to take a genuine interest in production matters, and particularly in cost reduction programs. In this respect, the engineer and the production man should stand side by side, each benefiting from the other's training and experiences.

On the other side of the coin, the production man must learn to give and take. This is, of course, an age of specialization in industry, and this presents obvious advantages. There is danger, however, of the various departments of a company being insulated by the organizational chart from seeing the picture as a whole. The production man may tend to think of industry as exclusively production, the engineer as product de-

5-

1-

11

55

n

a-

n-

ot

at

n

ly

is

ne

ze.

is

is

e-

n-

rt

e.

to

sign, the treasurer as finance, and the salesman as getting orders.

Such attitudes produce intolerance in discussions and frequently result in the indefinite shelving of projects requiring co-operative approach. The usefulness of an engineering staff is frequently more limited by company organization than by the people who make up its engineering division. For example, the status of the design department may easily make the difference between an unsuccessful operation and a very profitable one. When a company isolates its engineering group from the influences of the manufacturing and tooling people; when the company freezes its designs as orginally conceived, and when change requests for ease in manufacturing are considered too costly or a nuisance-it is to be expected that many conflicts will arise between production and engineering departments-and that many operations will be performed at unnecessary costs.

Industry is composed of many things, and there is nothing like standing in the other fellow's shoes for a short time to deflate the ego and realize the fractional nature of one division of a modern company. To keep its top staff men from developing an ivory-tower complex, smart management trains its engineers in manufacturing practices. I know of a highly successful engineer who isn't above helping out in the rush with an occasional swing shift

in front of an assembly line. It is hard not to believe in the future of a business organization which can get their specialists down off the Olympian heights onto the plateau of the rank and file.

The average engineer moves in a small orbit compared with the production man. His self-confidence and engineering training often prevent him from confessing limitations. If he performs well in his engineering capacity, his temperament still prevents him from letting go the reins. Finally, the experts say, the management flaws are rarely visible to him, however obvious they may be to outsiders.

It is only within the past year or that American industry has awakened to the fact that we are in an expanding economy where manpower demand has reached serious proportions, and where inadequacies are not so much in the realm of technical knowledge, or even of operating skills, as they are in the realm of manpower needed to direct operations. It is this gradual awakening that has resulted in a great many companies undertaking a program that is concerned with spotting and developing men who can be moved in a relatively short time to responsible supervisory or control positions.

The fact that the next executive generation is not maturing fast enough, and that many technical men are being promoted to leading jobs without management training, should

195

nes

bee

fer

Ele

EL

De

Ar

ter

my

I

fin

Eu

bo

she

be

me

W

stu

rea

ity

rig

in

ge

Ru

en

pa

an

if

ca

m

ha

U

emphasize the urgent need for management talent. There's nothing much we can do to help in this problem, except to make it possible for the engineer to help himself.

Looking thus far into the future, to what pattern should the National Management Association plan its programs for engineers? I believe that the answer to that lies in the recognition that the engineer is no longer a highly individualistic, specialized technician. He is a professional man in every sense of the word, skilled both in the use of science, for the solution of broad technological problems, and in the rational analysis of economic, social and business affairs.

To merit full professional recognition, the engineer must direct more of his energies and interest outward to the needs of society. Without descending to partisanship, he must expand his interests into the domain of purposes and programs. The increasing importance of technology has placed within his power the opportunity of contributing leadership in a greatly expanded economy. But the engineer's dogged determination to "know-how" must be tempered with "know-why" if he is to attain the lofty station that can be his.

A final objective the future engineer must have in mind throughout his college career is this: that both through formal study and many activities outside the classroom he will accept the stimulation that is all about him for broad intellectual growth, so that he will be prepared to take leadership as a full-fledged member of the management team, as well as in his professional work.

We believe that the engineer has an obligation to serve not only his professional societies but also to take an interest and participate in the whole range of management affairs. The opportunities for personal development are almost limitless. Membership in a NMA management club is a spiritual as well as an intellectual experience, and we hope that a great number of engineers will take full measure of all that is here. The management training programs of the National Management Association provide a superior preparation for industrial leadership, second to none, and as such they are demanding of our best mutual efforts. Nothing would please me more than to have the facts about its objectives and programs known to the entire engineering profession. Training in engineering, science and the humanities should stand side by side. The smart engineer is not satisfied with a mildly diverting exploration into the higher reaches of so-called "pure intellectualism." He is always on the lookout for associations which supply him with practical working guides to a more purposeful living.

In spite of all that's being done to stress the urgent need for integrated understanding among management men, we must develop a real willingary

ıal

ed

ed

as

nas

ke

he

rs. le-

m-

ub

ıal

eat

ull

he

of

ia-

on

to

d-

h-

to

es

re

in

n-

he

a

he

n-

he

p-

ng

g.

to

ed

nt

ness to challenge everything that has been accomplished instead of defending it. . . . Lou Rosenthal, The Electric Products Co., Cleveland, O.

EDITORS:

I have just read the article in the December issue of MANAGE by Arthur S. Barron on "Russian Potential."

As the threat of Russia has been my exclusive study since 1945, and I have made four extensive fact-finding trips into 40 countries of Europe, Asia, and Africa—and on both sides of the Iron Curtain—I should like to add to this article, because as it stands, it leaves out the most dangerous aspect in the East-West struggle for the control of the world.

From what I have learned in my studies, Mr. Barron's statistical report is accurate, but if this is meant to reassure Americans of our superiority in most things, and therefore our right to assume that we would win in a war, it is an exceedingly dangerous article, standing alone, for it is only one-half the picture.

It is based on the assumption that Russia is our enemy. She is our enemy, but in saying so, it is only a part of the fact. Our actual enemy, and the one we would need to defeat if a war should come, is what I called in 1947, "The World Communist Conspiracy." This conspiracy has been organized by the Soviet Union over the last 40 years at a

great expense in money and effort; it is much more powerful than Russia alone, especially now that Red China has become the junior partner in the conspiracy and directs most of its activities in the Orient.

Since 1946, this conspiracy has been conducting a war of conquest against the rest of the world-we have mis-called it "The Cold War" -which in fact is World War III, Soviet style, but the Free World has gone on blithely for the most part seemingly unconscious of it except when parts of the conspiracy began to do some shooting: in Korea, Indo-China, Greece in the beginning, Indonesia, Malaya, Burma, and the Philippines. The shooting was never done by Red Army soldiers, but by members of Communist parties in the area affected-these actually constituting foreign legions of the Red Army.

For a realistic picture of what we face, these and many other facts, as well as the statistics of Mr. Barron's article, must be understood. . .

Last summer, I spent some very hot weeks in the Middle East, my third trip into that area since 1950, studying the Soviet build-up in Egypt and Syria. . . . I never lecture or write on a subject until I have done all I can to get the facts. . . .

> Sincerely yours, Louis J. Alber

NOTE: For more by Mr. Barrow, see page 34.—Ed.

NMA Survey

TOP SUPERVISORS' PROBLEM: COMMUNICATION WITH EXECUTIVE MANAGEMENT

By Jim Berns

Research
points to need
for better information
on top policies
and decisions.

Also wanted:

Better understanding

of Just what

is expected of

the supervisor,

and more participation

by the supervisor

in management

decisions.

A MERICAN supervisory management personnel recognize an acute need within management ranks for better communication, both of information and attitudes. That is indicated in a study just released by The National Management Association.

During its recent national conference, the NMA polled only its official club delegates on managerial questions specifically relating to the first levels of supervision.

NMA Research Director Norman George pointed out that a breakdown of the respondents "revealed a very close approximation of the Association membership. Fifty-two per cent who answered were first level supervisors or foremen, and 56 per cent of the association's membership is in the foreman-supervisor category. The remainder were staff and higher level management."

George said this was the key problem in the survey:

"Below are listed six things that might be done to improve the su-

th

you is i

387 ada

from

ge-

an

ent

oth

t is

by

ia-

er-

of-

ial

he

an

ık-

ed

he

NO

rst

nd

n's

r-

re

b-

4

pervisor's job. Rank them in what you think their order of importance is in accomplishing that objective."

The 404 respondents, representing 387 companies in 34 states and Canada, scored the six factors this way:

 "More and quicker information from top management on policies and decisions."

Ranked first by 36 per cent. Ranked either first or second by 69 per cent.

 Better understanding of just what is expected of the supervisor." Ranked first by 26 per cent. Ranked either first or second by
 53 per cent.

 "More parsicipation (by the supervisor) in management decisions."
 Ranked first by 18 per cent.
 Ranked either first or second by 36 per cent.

"More training."
 Ranked first by 15 per cent.
 Ranked either first or second by 31 per cent.

• "More authority."

Ranked first by 2 per cent.

Ranked either first or second by 8 per cent.

"More pay."
 Ranked first by 3 per cent.
 Ranked either first or second by 8 per cent.

George said the response to the question did not necessarily mean that supervision was not interested in more pay, authority, or training. Rather, he said, "The answers do reflect deeper concern for inter-management relationships, at least for the present."

Here are some typical write-in comments by respondents on the question:

"More concentration on communication and education of top management as to line problems and understanding of labor force"—department manager.

"The immediate need is to draw all levels of management closer together to better co-ordinate all management thinking" — foreman from sheet and tubing manufacturer.

"Better communications between foremen and top management and a better understanding by top management of supervisory problems"—general foreman in the chemical industry.

"More top management support in helping to carry out supervisory decisions"—supervisor in industrial machine company.

"Greater appreciation of supervisors' efforts—expressed verbally and financially"—assistant superintendent in electrical utility company.

Here are some of the other questions in the survey:

"In your observation, how well do you think top executives understand the problems of the supervisor's job?"

Thirty-four per cent said executives understood most problems, 59 per cent checked "understand some,

1957

SO 1

iob

vear

mai

the-

sup

mer

ent

mai

con

lar

we

hor

con

of

vis

ma

we

tha

ba

fir

an

pr

I

but not all," and 7 per cent said there was "little executive understanding of supervisors' problems." "Generally speaking, how helpful do you think the personnel or industrial relations department of your company is to supervisors in dealing with employee grievances and complaints?"

This was answered—"very helpful," 54 per cent; "of some help," 29 per cent; "not too helpful," 17 per cent. Commenting on the foregoing two questions, George said:

"The results of the first question seem consistent with the rankings of the improvement factors earlier. The strong inclination (59 per cent) to take a middle-of-the-road attitude on the extent to which top management is cognizant of supervisory problems indicates there is a feeling that there is ample room for improvement of inter-management relationships."

As for the evaluation of industrial relations assistance, George declared, "The fact that 83 per cent think this group is either of some help or very much help seems a fairly substantial vote of confidence."

Automation came in for special attention with the question, "What effect do you think automation will have on management-labor relations?" Only six per cent answered there would be "very few new problems." Forty-two per cent of the respondents said there would be "some new problems, requiring special attention," and "many new

problems, requiring careful management consideration" was checked by 52 per cent.

On the importance of a college education to the supervisor's job, 75 per cent replied they believed it "helpful, but not required." There were 24 per cent who thought it "very important," with one per cent dismissing it as of "no particular value."

To the question, "What do you think about retirement at age 65?" the group replied:

"Should be required of all"—22 per cent; "should be general rule, with exceptions possible"—54 per cent; "should not be required"—24 per cent.

George emphasized that the findings reflected "the thinking of the group as a whole. Cross-tabulations based on job-title, geographic area, and size and nature of industry revealed no great differences in results."

Assessing the overall findings of the survey, NMA Executive Vice-President Marion N. Kershner reported:

"The NMA has been conscious for some time of supervisors being keenly introspective about how their roles in management affairs are being accepted by top management. This survey bears that out, since it shows clearly that the foremost desire by supervision—and by other management men directly concerned with supervision—is to improve communications within management

uary

ge-

by

ege

75

it

ere

it

ent

lar

ou

?"

22

le,

er

24

d-

he

ns

a,

e-

21

of

ee-

15

0.

it

d

so that supervision can do a better job of managing. Within the 31 years of NMA lifetime, the foreman has progressed from a bull-of-the-woods pusher to a competent supervisor possessing great management team loyalty and unbounded enthusiasm for putting self-gained management know-how to use in his company."

Kershner pointed out two particular comments on questionnaires which were in response to "suggestions on how to improve the supervisor's job," commenting that they were typical of frustration felt by many supervisors capable of handling more management responsibility. They were:

"Have top management realize that foremen and supervisors are the backbone of their business," and "A first-line supervisor should be considered more of a management man and less a glorified monitor."

The NMA official said he interprets such suggestions, in the light of the rest of the survey findings, as stemming from supervisory feelings of too little management authority, not desire for more recognition. He explained that management authority carries with it sufficient recognition to satisfy most supervisors.

The National Management Association now has a membership breakdown of 56 per cent first-level supervision, 34 per cent middle management, and 10 per cent top management.

A non-profit, non-political, educational group, the organization is dedicated to unity in management and managerial self-development. Its 70,000 members are in 364 management clubs in the U. S., Canada, and Puerto Rico. Some 1,600 companies, in all types of industry and business, are represented in the NMA. The Association's education programs are directed primarily at training supervisors to handle greater management responsibilities.

A man who was wanted by the police had been photographed in six different positions and the pictures were circulated among the police.

The chief in a Kentucky small town wrote headquarters a few days later saving:

"I duly received the pictures of the six miscreants whose capture is desired. I have arrested five of them; the sixth is under observation and will be taken soon."—Chanute Tribune.

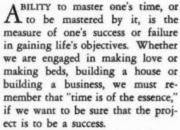
Many a person has an EXCELLENT AIM in life, but NO AMMUNITION.

The pessimist rants because raspberry bushes have prickles on them; the optimist is glad that thorn bushes have raspberries.—G. E. News.

How to

MASTER the TYRANNY of TIME

by Ralph Crosman



Time, like power, when it is uncontrolled, is a cruel dictator, but when it is held in leash, and geared to the uses of man, it can become a powerful and productive servant.

All great men have been masters of time. They have been misers of the moments, eagerly collecting them, tenderly regarding them, but wisely using them.

Benjamin Franklin handled time with supreme mastery. His victory over the fleeting hours was the cornerstone of the temple of his splendid



achievements. One day a man entered the office of the "Pennsylvania Gazette," which Franklin had established in Philadelphia, and asked the price of a book which was displayed in the office window.

"One dollar," said the attendant.

"Will you sell it for seventy-five cents?" asked the customer.

"The price is one dollar," replied the clerk.

After studying the book a while, the buyer asked to see Mr. Franklin.

"Mr. Franklin is very busy preparing for the next issue of the Gazette," was the reply. "I can wait on you."

The man was persistent and insisted on seeing the proprietor. Finally, Mr. Franklin came into the office and greeted the customer.

"What is the lowest price you will take for this book?" asked the buyer. 1957

lin r "E it to

calle plied mon "C barg is yo

a do took
Fr

repli

a pa It w econ proje

> that need time we ver famile decide the tice.

reportand thing she of m

tive

ia

d

re

d

e,

e.

e

it

1-

ie

"One dollar and a quarter," Franklin replied.

"But your clerk has just offered it to me for one dollar."

"Yes, but that was before you called me away from my work," replied the publisher. "My time is money."

"Oh, come now," said the bookbargainer. "All joking aside, what is your lowest price for the book?"

"One dollar and a half," Franklin replied, calmly.

Without a word, the customer laid a dollar and a half on the counter, took the book, and went out quickly.

Franklin's cavalier treatment of the dilly-dallying book buyer was not a passing jest, or a practical joke. It was his philosophy of life. In fact, economy of time was one of his pet projects, in public and private life.

Coming down to our day, we find that economy of time is even more needed than it was in Franklin's time. And one busy housewife, whom we will call Mrs. Baker, with a large family and a heavy social schedule, decided to try her hand at putting the Franklin philosophy into practice. After a three-months' trial she reported that she had saved three hours a day by budgeting her time, and doing it without sacrificing anything of value. In fact, the net result, she said, was definitely on the side of more harmonious and more effective living.

Mrs. Baker had been spending an

average of two hours or more a day on television, radio, movies, lectures etc., not because she enjoyed them all, but because her family and friends thought that everyone should "keep up with the times." She cut these two hours down to an average of three-quarters of an hour a day. which enabled her to select those programs that she really did enjoy, and kept her well informed on current events. She resigned from two of the three clubs to which she belonged, and thus not only gained much time, but avoided the heavy burden of social activities connected with club work.

But the biggest dividend in saved time came from reorganizing the household routine. This was not done without a battle with the family, for friend husband and five teenage children constantly called upon her for little and big chores which they should have done themselves. But when the net results were all in. when the family saw the order and harmony that emerged from the helter-skelter living; when they saw Mom enjoying two or three hours a day in her own study, doing the reading and writing which she had always wanted to do-members of the family were unanimous in the opinion that budgeting time pays off in a big way for all concerned.

Mrs. Baker readily admits that some of her friends have tried this plan of time-control but have not

wil

in

16

ma

tw

sta

p.r

bo

p.r

ne

thi

\$7

pe

try

in en

an

Fe

CI

to

fe

be

met with much success. There are many and various reasons for their failure, says Mrs. Baker, but perhaps the most common one is impatience, failure to think the problem through, and to stick to it.

It is impossible to lay down specific instructions for setting up and operating such a program, but Mrs. Baker, drawing on her own experience, did set out a few basic rules and considerations that should prove helpful. She said in effect:

It should be recognized at the outset that devising and operating any effective plan for personal time-control is a big order, and should be approached with considerable humility. Age-old habits and resistance by family and associates are involved. Move slowly. The program will probably be subject to many revisions before a perfect set-up is achieved.

Both flexibility and inflexibility

will be called for in operating the plan. Which one to use, in any particular case, can be learned only by individual experience. Such questions as: Shall I go to the dance, or the book club, or the political rally, or shall I stay at home—and if I stay at home, shall I look at television or work on my writing job—will be the daily agenda for self-discussion and self-decision. One's basic objectives in life and the amount of steel or stuffing in one's character will provide the answers to such questions.

Perhaps the best prescription for mastering the tyranny of wasted time is to realize the penalty we pay for not doing so. It could not be more aptly put than in the words of Benjamin Franklin:

"Dost thou love life? Then do not squander time, for that is the stuff life is made of."

Countries are well cultivated, not as they are fertile, but as they are free.

—Montesquieu

SHOT IN THE ARM FOR PRODUCTION

SOMEBODY HAS figured out that the coffee break adds up to about two or three weeks' extra "vacation" in a year for each office and factory worker indulging in this new American custom. But the statistics also show that the coffee break has hidden advantages. In a survey of 1,160 companies, 82 per cent claimed it reduced job fatigue; 75 per cent said it improved morale; and 62 per cent even reported an increase in production. No one asked whether it was the coffee or the break that produced these advantages.

One of the nicest things about telling the Truth is that you don't have to remember what you said.

NMA BOWLING ... set for MARCH

THE 1957 National Management Association bowling tournament will be held at the University Lanes in Toledo, Ohio, on March 2-3-9-10-16-17, according to tourney chairman John C. Robins.

try

he arbv

ns

he

OF

or

be

on

b-

of

er

ch

10

ne

or

re

n-

ot

ff

There will be four shifts of bowling on Saturdays, Robins said, and two shifts on Sundays. Saturday starting times will be 11 a.m., 1:30 p.m., 4 p.m., and 6:30 p.m. Sundays, bowling will be at 10 a.m., and 12:30 p.m.

Robins said it will cost each team a total of \$21.50 to enter the tourney, the money being broken down this way:

Ten dollars per team entry fee, \$7.50 per team bowling fee, and \$4 per team tournament expense. Entry fees will be returned 100 per cent in prizes, with \$7 of each team's entry fee going toward team prizes and \$3 for singles awards.

Entries close midnight, Saturday, February 9, 1957, and should be mailed to:

"NMA Bowling Tournament Secretary, attention Clarence Keyser, % Champion Spark Plug Co., 900 Upton Ave., Toledo 1, Ohio." Entry fees must accompany the entry blank, and checks or money orders should be made out to "Toledo Foremen's Club Tournament Committee."

Tourney rules include:

ONE—Entrant must be a bona fide member of the NMA.

TWO—Entrant must use his highest average as of the week ending Jan. 21, 1957, in all leagues in which he has bowled 15 games or more, or highest sanctioned average of 1956 if not bowling during current season. All bowlers must have proof of their average.

THREE—Positively no change in day or squad will be made after schedule has been released, and team captains must report to the tournament secretary at least 30 minutes before the scheduled bowling time.

FOUR—The tourney will be conducted on a 70 per cent handicap—70 per cent of the difference between 200, which is scratch for each contestant—1,000 per team.

FIVE—A revolving team trophy will be awarded to the handicap championship team and individual trophies to each member of the team. Other trophies will be awarded for three-game singles handicap champion, three-game singles actual pinfall winner, high single game, visiting club entering greatest number of teams, and club sending team from greatest distance.

The 1956 tournament at Battle Creek, Mich., drew 264 teams, with an additional 300 squads entered in the telegraphic portion of the tourney.

Telegraphic competition also will be held this year.

A Supervisor's Guide to Intelligent Labor Relations



ACT on FACT

by James Black

YOU'RE A foreman. Suppose you have an employee who during a three months period has been late to work many times. Suppose he has been absent twice, and on eight occasions has failed to work as long as the other men. Let's say, too, that this employee is irregular in his habits, and can't be depended upon to do his job unless he is closely watched. Every time you turn your head you find he has slipped out of the plant and taken off for home without waiting to see if overtime is required. On top of that, just the other day you heard he had been seen hitting the wall with a hammer for exactly 17 minutes, and stopped only when he noticed that he was drawing more than a little attention to himself.

Suppose this man has a friend whose record is equally checkered. And worst of all, let's say he, too, works for you. You have warned these "Gold-dust twins" repeatedly about their shortcomings. But do they improve? Not so you would notice it! What would you do? Fire them? Sure, you would! And would it stick? With records like those! Are you kidding?

OPERATION ODDBALL

Well, a foreman, we'll call him Baumgartner, had this experience. He was supervisor in a textile mill and bossed two packing clerks in the shipping department who were exactly the kind of oddballs that have been described. He fired them, and they took the matter through the grievance procedure to arbitration. You may wonder how on earth a union could even defend such an open and shut case. But one union did and . . . well, shall we see exactly what happened?

Joe Turner and Bill Mack (that's what we'll call them) had curious

-

but plo he tim sev ma

195

his hav unl

> a J we atte

> > mo

Tu to wo

on go of NO

19 ow

ha in

wa

it

S

careers at the "Triumph" Textile Co. Turner was first hired in 1939, but he had quit his job three times and had been fired once, so his employment was not continuous. His last hiring date had been in 1952, and he had three years of seniority when the axe fell sickeningly for the last time in 1955.

Bill Mack had gone to work for "Triumph" in 1942. He had been fired several times during his first three years on the job. Perhaps the need for manpower brought about by the war years induced the company to overlook his faults and give him always "one more chance." At last he seems to have settled down, for in 1955 he could point to a 10-year period of unbroken service.

TURNER & MACK, VAUDEVILLE TEAM?

Turner and Mack, according to the company, appear to have been sort of a Joe Goldbrick-Mortimer Snerd combination. They were inefficient. They were malingerers. They spent more time in the washroom than a lavatory attendant at the Waldorf. Their work was terrible. Constantly they were shipping the wrong goods to the wrong customer. This cost the company money, to say nothing of the wear and tear on the nerves of buyers. Their supervisor had warned them about their faults, so the company claimed, but Turner and Mack paid about as much attention to him as the Trojans did to Cassandra when she tipped them that if they insisted on dragging that wooden horse into the city they were going to get into the darndest mess.

"Wait a minute," you say. "How could Turner and Mack keep jumping on and off the payroll if they had such terrible records? I'd think if you got rid of a pair like that you wouldn't let them come within three blocks of the plant, much less hire them again."

NO HIRING PROCEDURE

It does seem odd, but it happened. The company explained that until 1945 it had no centralized hiring procedure, and each foreman employed his own men. Maybe that's how it came about. But even if this was the situation, you would think that a supervisor worth his salt would not hire a man who had worked for his company previously without doing a little checking. And in the case of Turner and Mack even a little checking should have told a story that would have made an employer's hair curl.

By the time the case of Turner and Mack reached arbitration all this was water over the dam, some spilt milk you could cry over but couldn't do anything about.

The union had a different tale. It claimed that Turner and Mack had

0

ch

W

W

Ti

lay

ter

are

ref

We

had

op

for

in

pro

Stat

Tu

wer

me

wit

to s

don

give

FLC

He

effic

forg

shou

fore

1

1

gotten a bad bounce. It said that they were long service employees who had never been given any oral or written warnings about poor work, and that they were capable men. It also pointed out that the contract provided for layoff penalties for minor offenses, the third offense leading to discharge. Yet, it remarked, the company never laid off Turner or Mack for breaking rules or for not doing their work properly.

It is true, the union admitted, that Turner and Mack had been discharged in 1947, but they had gotten their jobs back—no thanks to the company. The N.L.R.B. had ordered their reinstatement because management had been guilty of an unfair labor practice.

On another occasion Turner caused himself to be discharged by the company to avoid working for a foreman he didn't like—wartime regulations forbade him to quit. A short while later the foreman went into the army and Turner was asked to come back to his job. That proves he was efficient.

MERGED OUT

What's more, said the union, Mack too, was always considered a good workman, and on occasions had been asked to do difficult assignments in his department. He was once promoted to assistant foreman and held that job until his department was merged with another one, forcing him to return to his original position.

Finally, the union claimed, Turner and Mack were not fired by their immediate supervisor, but by Mr. Baumgartner, their foreman's superior. Baumgartner did not like them, and he called the turn. Their own supervisor had never once warned them or in any way intimated that their work was not up to snuff. In fact, when he came after them—they were away from the floor smoking—the day they were let go, he let them finish their cigarettes and gave no hint that he wanted them discharged, even that they would be discharged.

Yes, indeed! We're still talking about Turner and Mack, although from the union's story they sound like a couple of other fellows, don't they? You'd hardly recognize them. Certainly not from the company's description. Why, they seem like a pair of hardworking, put-upon people; martyrs to the arbitrary whims of an autocratic supervisor who, for some reason or another, was out to make things tough for them. Well, that's the way it usually goes in an arbitration case, and it's up to the judge to determine what really happened.

ry

oo nd

ed

e.

ng

ed

he

en

he

la-

he

vas

bod

in

hat

to

neir

ior.

er-

ork

way

neir

hey

rom

ey?

ion.

s to

1 or

y it

nine

ORAL WARNINGS DENIED

What about those warnings the company claimed it had given the discharged employees? Obviously they were not "in writing" or management would have produced them to back its case. So they must have been oral warnings. The company insisted that such warnings had been given, but Tucker and Mack denied it flatly. So this was a matter of one word against another.

"All right," you say. "But why weren't the employees given penalty layoffs for their inefficiency, as the contract stipulated?"

"No reason to," said the company. "The right of the management to terminate an employee is in the contract, and the rules of plant conduct are not a part of the agreement. Moreover, the rules to which the union referred said 'minor offenses,' and the transgressions of Turner and Mack were of the first magnitude."

Now we come to Supervisor Baumgartner. Testimony brought out that he had once worked for the company but had left its employ to accept another job. Three months prior to the discharge of the two employees, he had been persuaded to return to the "Triumph" Mills to get the plant operating on a more efficient basis. It was part of a reorganization program, for evidence showed that both the shipping and assembly departments were in a state of general inefficiency.

Baumgartner clearly did a job. He got things moving, although in the process he stepped on a good many toes with a heavy tromp. From his statements it was clear that he spent sufficient time watching the antics of Turner and Mack to form an accurate estimate of their abilities. That they were a couple of loafers there wasn't much doubt. Yet he did not tell the men to correct their ways. What's more, he didn't even discuss the matter with their immediate foreman and make it clear that he expected the latter to see that people under his supervision did their jobs properly. If he had done this there would have been some evidence of warnings and lay-offs given to Turner and Mack before their behavior caused termination.

FLOPS AS PERSONNEL MAN

Technically and production-wise, Baumgartner had done a brilliant job. He had brought order out of chaos, and he had gotten operations moving efficiently. From a personnel point of view—and a foreman can never forget he is primarily a line personnel officer—he had flopped badly. He should have realized he had a problem in handling the easy-going, pleasant foreman who bossed the shipping department. He should have known it

was his responsibility to see that the shipping department supervisor talked to Turner and Mack to the end that their work must improve or they would be dismissed. Baumgartner did absolutely nothing from the all-important standpoint of human relations. But, good line manager that he was, he did move in and take the step about which the shipping department foreman hesitated. He fired Turner and Mack.

Finally, there is the matter of the man "in-between," the foreman who directly bossed the two employees. What kind of a supervisor was he? Evidently, his conception of his job and his responsibilities left much to be desired. Undoubtedly, a great deal of the blame for this can be laid at the door of the company. It promoted him. It was responsible for developing him as a competent member of line management. His faults, it is true, are those of omission. Judging from the record, he was a pleasant, affable man, probably hardworking himself, but with no sense of, or capacity for, leadership. And leadership was his first job.

Had he been a leader he would never have permitted things in his department to get out of hand. He would have warned Turner and Mack the first time they got off base, and made that warning stick with disciplinary penalties if the offenses were repeated. Certainly he wouldn't have allowed his authority to pass by default, and call upon his boss to punish employees he couldn't handle. Perhaps he didn't feel accountable, for he admitted that he had not even read the union contract until shortly before the arbitration hearing. This in itself reveals that the company had neglected to provide a constructive training program for its supervisors in such an important matter as labor relations.

"GOLD DUST TWINS" RETURN

Yes, the "Gold-dust Twins" got back on the payroll. They were punished, but the arbitrator toned down, to a lay-off, the discipline the company had inflicted. He ruled that the employees be reinstated with full seniority rights, but that they be given only two weeks back pay for the time they lost, the remainder of their lay-off period to be considered as punishment for their poor work.

It is a sad thing when employees can flaunt their company's rules, malinger on the job, and still escape the penalty of dismissal because an arbitrator overturns management's decision. But it is even sadder when a company and its supervision permit conditions to occur that make this possible. Employees, said the arbitrator, will do what they are supposed to do if a constructive disciplinary policy is utilized. The company would

writ
"on
Y
thor

1957

have

y know know

EMI

plea

easy

In doin by remander folloout would

for le failin not t do an

Y

of thidential

of the learne

He

ry

d

ld

nt

id

ın

10

9

oe.

ne

ng

le,

or,

115

ck

ry

ed

es

at

nc

de

nt

d.

ad

ts, he

eir

es,

an

nis

ed

have been on solid ground if it could have established at the hearing that written warnings had been given to the men and that they were clearly "on trial" for the future. This management could not do.

Yes, it is a foreman's job to be a good leader. He must exercise his authority firmly and fairly and apply discipline when it is needed. He cannot allow his subordinates to take advantage of his good humor and do as they please. They mistake that as weakness, and they are probably right. Seeking easy popularity cannot be the goal of a foreman. It usually earns him the good-natured contempt of his people.

You don't win loyalty and respect by being amiable. You do win it by knowing your job and making certain that the men who work for you know theirs, and do them, too.

EMPLOYEES, FOREMAN FAILED

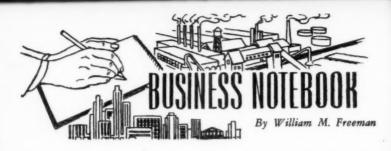
In this case the employees failed in their duty to the company by not doing the work they accepted money for performing. Their foreman failed by refusing to recognize and accept his responsibility to his men and to his management and giving the kind of leadership subordinates could respect and follow. The company failed by not making sure that its supervisors carried out their proper responsibilities and providing the kind of training that would permit them to do this.

You are a supervisor. Sometimes the leadership you get from higher management may not be all that you might wish. However, that is no excuse for letting down, even though you may be discouraged. If you do, you are failing the company. Oh, sure, maybe it doesn't deserve your support. That's not the point. You are failing yourself, and that is something you can't do and still keep your self-respect.

(This case is reported in the Labor Relations Reporter, June 22, 1955. The names of the persons described and the company have been changed to protect their identities.)

Many politicians lay it down as a self-evident proposition, that no people ought to be free till they are fit to use their freedom.—The maxim is worthy of the fool in the old story, who resolved not to go into the water till he had learned to swim.—Macaulay.

Here are the answers to "Test Your Word Sense" on page 28. 1-c, 2-d, 3-c, 4-a, 5-c, 6-a, 7-b, 8-d, 9-c, 10-a, 11-a, 12-b.



Worry no longer. There's plenty of aspirin.

The Monsanto Chemical Co. has just produced in its giant St. Louis plant its 100,000,000th pound of aspirin. It started with Pound No. 1 in April, 1917, just after the Bayer patents in this country ran out. By 1935 annual consumption came to 4,000,000 pounds. Now it's 16,000,000 pounds a year, or 50,000,000 five-grain tablets a day.

Why do we use so much aspirin? Perhaps it's because we worry over the "outlook," with so many factors taking away physical security, dollar security, even life security.

A major aspirin-requiring aspect of the modern economy is-

CHEAP CREDIT

—Available to practically everybody for the asking. You can charge just about anything, from meals, gifts, personal services, products and hotels to train, ship and airplane tickets, plus the entertainment on board.

In the first quarter of the current fiscal year, members of the Diners' Club ate and drank the equivalent of \$13,430,529 worth of credit in member restaurants and hotels. There are 5,000 such establishments, along with 300,000 credit-users, on the club's lists.

Consumer credit at the close of October, the latest month for which the Federal Reserve Board has figures, stood at a new high of \$40,200,000,000, of which \$30,800,000,000 was installment paper. And, making everything worse (or better), corporate and mortgage debt is rising faster than consumer credit. Even an airplane can be bought on credit under—

A LEASEBACK PLAN

—worked out by the Standard Factors Corp., national commercial finance company with a sense of responsibility. The concern, which has resources of some \$30,000,000, has been financing aircraft purchase and

exp war thin

> sup an o

195 leas

is or colu

By busi had

one Villa Ti sellin still

a Peteas, Swed Englishas s

VOD

by as tillers and o

It tilled traced of

is

0.

3v

00

er

ar

ıst

els

rs

m-

ith

he

00,

ng

n-

ial

nas

nd

leaseback arrangements experimentally and now finds the arrangement workable.

Theodore H. Silbert, president, said that air passenger and freight traffic is expected to be doubled by 1965, a scant eight years away. The airlines want more and better planes, especially jet airliners, but these are expensive things to buy and the operators lack the capital. So Standard Factors is supplying the airlines with new and used aircraft under a rental plan, with an option to buy at pre-set prices when other financing is feasible.

Even though an airplane can be bought on time, and credit of all sorts is offered to the American consumer, "bargains" still have their lure. This column was remarking in MANAGE (January, 1955) on—

A CAVIAR SUPERMARKET

—called the Caviar-teria, which had opened on a New York side street. By way of pointing up the relationship between show business and store business, the column noted that customers were to be had if the seller had a selling idea.

It is a pleasure to report that the Caviar-teria has grown into three shops, one in the Grand Central area, one near Carnegie Hall and one in Greenwich Village, each one bigger than the original two years ago.

The concern now has a large advertising appropriation, a catalogue-selling division taking mail orders, and a lot of customers. It has hit on still another selling idea—a basket (\$27.50) with foods from 25 countries, a Persian basket (\$50) and a "boudoir" basket (\$15.95). It has unusual teas, hard to get in ordinary stores, and a host of curiosities, among them Swedish lingonberries, Japanese fried grasshoppers, New Zealand honey, English Christmas puddings—some 2,000 items in all. And as noted, it has so many customers the supermarket-style aisles are always crowded.

Caviar goes well with-

VODKA

—which is doing all right, thank you, as a fad in drinking all over the country. You won't need to worty any more, lest you be reported as guilty by association with things Russian, if you sample vodka. Publicker Distillers Products, Inc., which makes Cavalier Vodka and also supplies this and other spirits in large quantities to rectifiers, has underwritten some expensive research to learn vodka's origin.

It seems the Indians in Peru long ago are responsible. These boys distilled the potato into a potent beverage called "chatka." This drink has been traced to the area that is now Ohio and to the east, and thence to Russia

195

SUI

In f

area

that

well

smal

plus

credi

mak

It

by way of the Vikings. Somewhere along the line "chatka" became "vodka." So you can drink it with a clear political conscience—so long as you don't drink too much. With the vodka and the caviar you might use—

A POTATO CHIP

—as a caviar-scoop, although the potato-chip makers are not at all as happy about their product as Publicker is about its vodka.

The chip was developed originally as a device for using more potatoes and thereby helping producers and distributors dispose of burdensome surpluses as well as giving mankind something to do with the other hand when the one hand is holding a glass.

Now the chip has grown to big business, with its own trade organization and its own problems. Of the current crop, about 40,000,00 bushels are being used as chips, but, in the view of Dr. W. R. Mills, professor of plant pathology at Pennsylvania State University, the potatoes are not right for chipping, and never were.

Most potatoes develop a dark color, and even the Katahdin, which is fine for chipping when fresh, is not so good after it has been in storage a while. The Russet Rural and the Kennebec can be chipped after chilling but they have other disadvantages. A potato is wanted that would be right for industry from every aspect. Can you help develop the right strain? The reward is a big one.

Notice that the potato chip is not a new product, but one in need of refurbishing. The same is true of a great many industries, in which sales are not as good as they could or should be because the product itself is not so good. An example is the cap industry, which is—

HEADING UP

—after a long siege of slow selling. Now it's back on top. In 1927 the cap and cloth hat industry produced 55,000,000 units, and it exceeded that figure, its peak until then, in only nine months of 1956. When all the figures are in, the total for 1956 is expected to be fully 10,000,000 better than the old record. The sales volume for the year is over \$75,000,000, which is not very bad for an industry that until a year or two ago seemed to be just about through.

Eugene Saunders, president of the Cap and Cloth Hat Institute, ascribed the sharp rise to the steady move to suburban living, the rise in the number of developments of small houses, the outdoor way of life, the popularity of sports cars and collegiate fashion trends. Manufacturers and merchandising men might do well to note that the trend to—

by

29

ır-

ha

on

re nt or

ne a

ng

ght

n?

of

les

is

27 led

the

ter

ich

be

bed

ber

of ing

SUBURBAN LIVING

—which has helped the cap industry, is showing no indication of abating. In fact, the Census Bureau reports, the nation's cities and suburbs are growing four times as rapidly as the rest of the country. Within the metropolitan areas, the suburbs are showing a population growth six times as great as that within the cities.

It means that a good many products other than caps are going to do well. Sportswear, outdoor furniture, fireplace and cooking equipment, small greenhouses—these and a hundred others will be showing healthy plus signs. And, as noted, much of this merchandise will be acquired on credit, which is all right so long as Monsanto and its competitors keep on making aspirin.

Send Us Your NEW Address



The subscription department has been swamped with copies of MANAGE returned by the postoffice because the subscriber could not be located, or because the subscriber had moved and the magazine could not be forwarded under second-class mailing regulations. (Over 1000 were returned last month alone.)

To insure the delivery of your copy of MANAGE every month, notify both the postoffice and MAN-AGE in advance of an address change.

Ask your postman to give you both the "Notice to Publisher of Change of Address" (Form 22-S), and "Order to Change Address" (Form 22). Remember to send them as soon as possible after you have made a decision to move.

The "Order to Change Address" is for the postoffice file. It is necessary to check the square marked "Magazines," if MANAGE, and your other magazines, are to be forwarded.



THE gigantic Tulsa, Oklahoma, Douglas Children's Christmas Party has been staged for the fifth consecutive year. The affair is put on for only one purpose—children's enjoyment, but much labor-management harmony results. We want to give the kids the best show obtainable, a visit with Santa, and send them each home with a well-filled Christmas stocking — and happy. However, for a company the size of Douglas (roughly 11,300 employees), this is no small task.

Members of the Douglas Management Club of Tulsa, the UAW-CIO union, and the IBEW union, working shoulder-to-shoulder, jointly sponsor the party with funds derived from canteen profits at Douglas. Since one group has to lead the way, and partly because they are in a better position to do so, the management club has taken the initiative and sparks each step of the endeavor. This year 630 members of management and labor worked together on party details.

The Christmas Party is actually three parties, since no one hall in this part of the country could accommodate all the crowd at one gathering. Three one-hour shows were put on Sunday afternoon, December 16, at the Tulsa Fairgrounds Pavilion. Around 9,500 attended each of the first two shows and over 8,000 attended the final performance, for a total of nearly 28,000 children and parents.

Entertainment was by an all-professional circus-type variety show out of Kansas City. A 16-piece orchestra, assorted clowns, and three Santas added to the children's enjoyment. At the conclusion of each show, every child was handed one of the big Christmas stockings.

These figures will give you an idea of the scope of the Christmas Party undertaking:

Candy: five tons

Christmas stockings filled: 11,500 Toys put in stockings: 44,000 (including 11,500 cameras, 11,500 vo1957

yo's, 1 sets o

The has the Mana each

repre labor

> "Is the b "Is "O were

old:

man

witi

con

lly in c-

ae

VS

e-

ls

d

1

n

t

yo's, 11,500 boxes of crayons, 11,500 sets of jacks)

Fruit distributed: 220 crates of apples and oranges

Total cost: \$11,000.

The Christmas Party committee has three co-chairmen—one from the Management Club and one from each of the two unions. Seven sub-committees were made up with equal representation from management and labor.

The Douglas Christmas Party for Children is a great venture our club has been proud to develop. Both management and labor in working on the party have the satisfaction of doing a worthwhile job together to achieve a common goal in keeping with the basic theme of the holiday season—the happiness of children.

C. C. Kemmerer, President Douglas Management Club, Tulsa, Okla.

A staid gentleman, honorary judge at a horse show, was upset by the dress of some of the girls.

"Just look at that young person with the poodle cut, the cigarette and the blue jeans," he said to a bystander. "Is it a boy or a girl?"

"It's a girl. She's my daughter."

"Oh, forgive me, sir," apologized the old fellow. "I never dreamed you were her father."

"I'm not," snapped the other. "I'm her mother."

The Pittsburg Sun reported this "show me" conversation with a four-year-old:

"Look at that big old hound dog."

"That's not a hound, Sonny, it is a bird dog."

Skeptically, "Lemme see him fly then."

A father and son were posing for a picture at the time of the young man's graduation from college.

"Stand a little closer to your father," said the photographer to the boy, "and put your hand on his shoulder."

"I think it would look more appropriate," said the father, "If he stood with his hand in my pocket."

A salesman wired his hoss: "I need a raise. If I don't get it, you can count me out."

Back came the following wire: One, two, three, four, five, six, seven, eight, nine, ten."



by Lloyd P. Brenberger

THI PRO

for good In f

their Ti

or to for then

requ

cent P

then

sary

back up v war

tran bloc were

1

tion 9.

for

cole

for

NOTE: To be considered for \$10 cash awards and certificates of special citation, all solutions to the problem must be postmarked no later than MARCH 10, 1957. Address your solutions of no more than 500 words to Editor, MANAGE, 321 West First Street, Dayton 2, Ohio.

PROBLEM No. 12

LONG WEEK END

Just before the last "long week-end" holiday Milt Kastrah's group leader stopped in Milt's office and asked permission for an additional day off before the start of the official holiday. With some reluctance Milt gave his permission.

He was reluctant because on one other occasion he had given the man an additional day but he failed to return at the designated time, telegraphing Milt that he was ill.

Work resumed at 7 a.m. on Wednesday morning but with no group leader. This time Milt received no word until the following Monday morning when the man reported for work. He again indicated an illness and described the situation in great detail.

Even with this vivid description, Milt couldn't help feeling that he had been "took." However, he wanted to be sure that the action he took was proper. You advise Milt on the proper course of action.

(Remember the deadline Mar. 10, 1957)

e-

is

ne

e,

THIS WAS SUPERVISORY PROBLEM No. 9

Sam and Joe had worked as a team for more than two years. They were a good team. They worked well together. In fact, Paul, their foreman, was quite proud of his choice in matching them on their job.

Then came trouble. Paul noticed they were developing some bad work habits. If Sam had to leave the job for a minute or two, Joe would stop working and wait for Sam to come back. And if Joe left, then Sam waited. Yet the job didn't require both men being present 100 per cent of the time.

Paul reviewed their assignments with them, emphasizing that it was not necessary for them to work together. This seemed to help, but before long they went back to their old habits. Paul followed up with an oral warning, finally a written warning. But it didn't stop. He tried to transfer Joe, but a shortage of personnel blocked it. What would you do if you were Paul?

THE WINNERS

The following are the best solutions to the supervisory problem No. 9. The winners have received checks for \$10 each and a handsome two-color Merit Award certificate suitable for framing.

THE LONG COUNT

By Virgil Abbott, Lockheed Engineer, Marietta. Ga.

I would call Sam and Joe in my office and explain to them that top management, by way of the accounting department, cannot account for time lost when one man must leave his station and his coworker must remain idle until the other

A situation such as this puts a strain on the time alloted per piece and according to the accounting department each piece put out by Sam and Joe would cost more than the same piece put out by another team not using their habits. It could be explained very easily that each man has a duty to perform, but he should lay it out so that if one is absent the other can take over or continue his work. It must be brought to each man's attention that time lost costs the company money and the company will do everything possible to keep cost down.

If Sam and Joe were aware of what the situation would be like if all the teams in the plant had their habits, they would stop it. Give them figures, they seem to strike a bell in most situations. For example, suppose there were 4000 workers. From this, we had 2000 teams, each time one of the men left his station for two minutes, four minutes would be lost. Take this figure and the average

Professor Brenberger, who writes the problem for "How Would You Have Solved This?" and judges the entries of contestants, is head of the Department of Industrial Engineering of the University of Dayton. He is a graduate of the General Motors Institute and has had wide experience in industrial relations and engineering. In recent years he served as a project supervisor for a secret Air Force and Navy research program. He spends part of his free time conducting a specialized management development training course, which he organized for Air Force reserve officers.

man leaves his station at least five times a day, this would amount to twenty minutes lost per day per man, because his buddy is going to repeat the same thing. During a workday the time lost would be 1333 hours. Now multiply this by Two (\$2.00) Dollars per hour average, and you will find that the company stands to lose \$2,666. But Sam and Joe being of sound judgment will agree that the company will pass this on to the consumer and that would be the Sam's and Joe's throughout the country.

At this point you as a supervisor must inject the idea that the company believes that they are competing with other firms and if their cost is too high they would receive no orders and eventually close shops.

I worked for a firm that had a Profit Sharing Plan. This plan served a dual purpose. It gave the workers the feeling of being part of the operation and made them aware of the fact that the higher the cost the lower the profits. I felt that for every dollar the company earned I made between three to six cents. Likewise for every dollar saved it was the same.

I believe if Sam and Joe understood more of the operation of a shop and that their boss is in business to make money and if their boss does not make enough there will be no business and no work for Sam or Joe—then they would see the point.

BOTH SLOTHFUL

By Roy Bisbee, Radioplane Co., Van Nuys, Calif.

Sam and Joe are either losing interest in their work, or their work is not a challenge, and with too much time on their hands they become slothful.

Paul should create a work order or work assignment form with a starting and completion time; automatically Sam and Joe will challenge the time, then by having two ten-minute coffee breaks, there would be no reason for Sam or Joe straying from their work. When the work load becomes slack, Paul can always add additional work. By proper planning Paul can fill the day in schedule-wise.

FAMILIARITY & CONTEMPT

By John A. Morgan, Autonetics Division of North American Aviation, Inc., Bellflower, Calif.

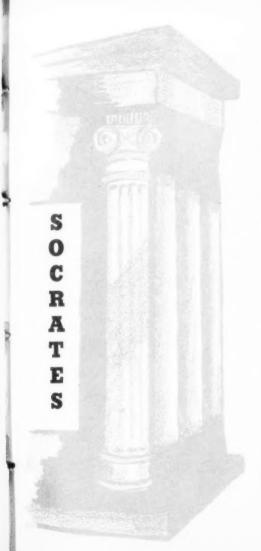
The title is misleading but the story itself suggests the old adage—"familiarity breeds contempt." Although Sam and Joe's association didn't exactly breed contempt, it is likely that after more than two years on the same job together things might get boring. It appears that a new stimulus is necessary here, either in the form of competition, incentive pay or a new assignment.

Since the men worked well together at first and again temporarily after the recent reprimand, it is probable that they can again. The situation has reached the point where Paul has but three choices: Discharge them, which seems unwise in view of their proven capabilities; inject a new stimulus into their job, which he can probably do through his own ingenuity or with the help of others; or, if this is impossible, make it clear to his superiors that a transfer is necessary even if it means some retraining of one or both men and their replacements.

[&]quot;That fellow must live in a very small flat."

[&]quot;How can you tell?"

[&]quot;Why, haven't you noticed that his dog wags its tail up and down instead of sideways?"



on

or

by

or

per ed-

ion

ory

and on-

nan

ngs

the r a

her

hey the

in

ject

he in-

or, his ven

or

ead

My opinion is that in the world of knowledge the Idea of good appears last of all, and is seen only with effort; although, when seen, it is inferred to be the universal author of all things beautiful and right . . . and the immediate and supreme source of reason and truth in the intellectual; and that this is the power upon which he who would act rationally either in public or private life must have his eye fixed .- from Plato's RE-PUBLIC

In This Issue

3 Cover Story

Editorial Memo

4 Dean Sims

Washington Report

6 Stewart French

Can You Become A Top Executive?

10 Phil Hirsch

How NOT To Get Rich Quick

14 Vernon Louviere

Word Changes

18

A Plan For Development Of

International Atomic Energy

20 John J. Hopkins

Test Your Word Sense

28

Eye For An Eye

29 Dick Ashbaugh

Just Mention Orville Wright

32 Betty Dietz

A New Elite In Russia

34 Arthur S. Barron

Letters To The Editor 40

. 10

NMA Survey

44 James Berns

Tyranny Of Time

Business Notebook

48 Ralph Crosman

NMA Bowling

ng 51

Act On Fact 52

58 William M. Freeman

Management Team Of The Month

62 Douglas Club, Tulsa

How Would You Have Solved This?

64 Lloyd Brenberger

